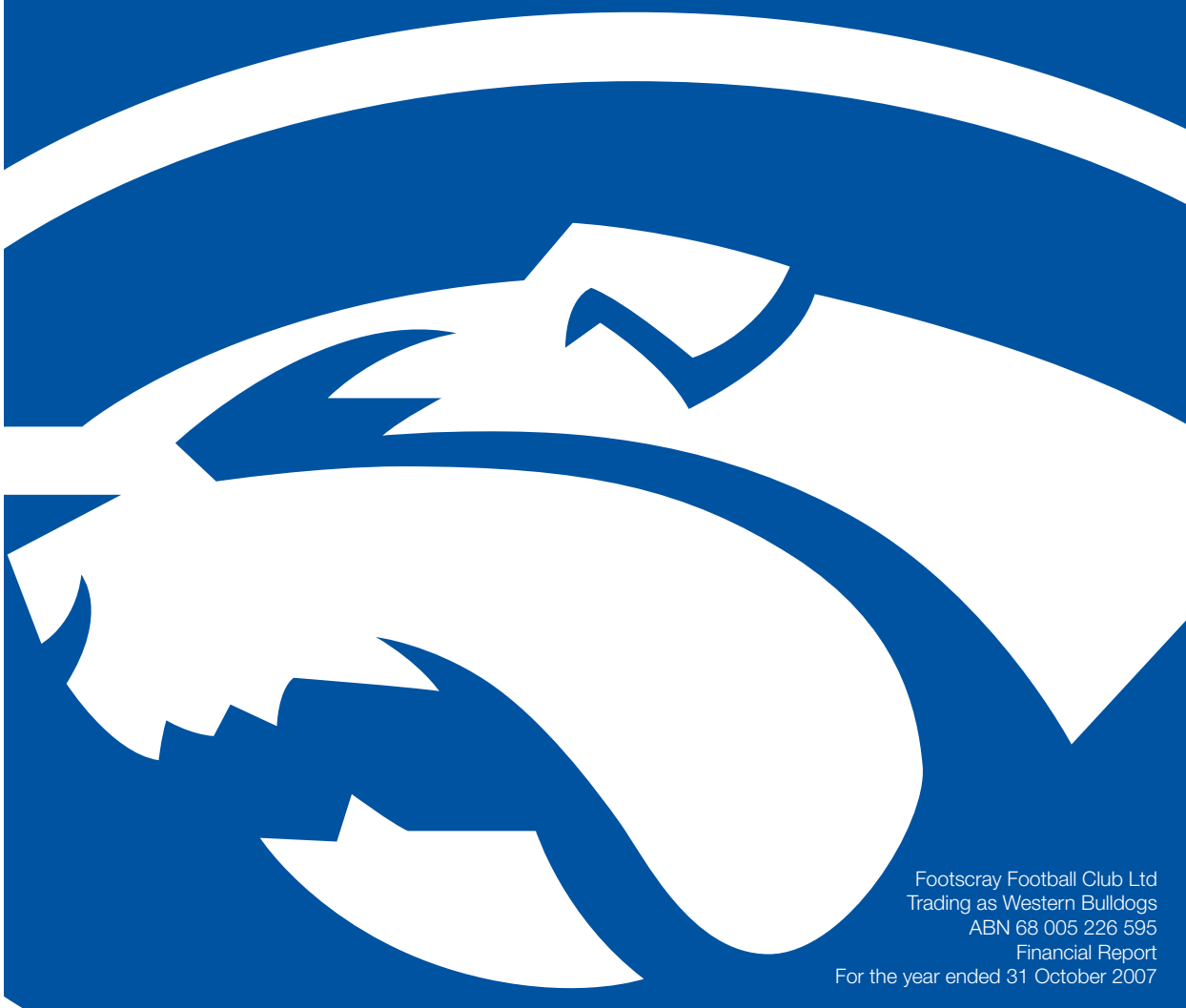


WESTERN BULLDOGS
2007 FINANCIAL REPORT



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Footscray Football Club Ltd
Trading as Western Bulldogs
ABN 68 005 226 595
Financial Report
For the year ended 31 October 2007



DIRECTORS' REPORT

Your Directors submit the financial report of the Footscray Football Club Ltd. trading as Western Bulldogs for the year ended 31st October 2007.

DIRECTORS

The names of the Directors in office at the date of this report are:

David Smorgon OAM
Barry Hall
George Pappas
Ian Veal
Henry Jolson QC
Gaye Hamilton
Dr Susan Alberti AO HonLLD
Neil O'Keefe (appt. 18/12/06)
Simon Garlick (appt. 17/04/07)

The names of Directors during or since the end of the financial year not in office at the date of this report are:

John Hale (resigned 18/12/06)
Jose Romero (resigned 06/02/07)

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings held during the financial year whilst the Directors were in office and the number of meetings attended by each director.

Director	Held	Attended	Leave of Absence
David Smorgon OAM	14	10	-
George Pappas	14	14	-
John Hale	3	1	2
Ian Veal	14	14	-
Gaye Hamilton	14	14	-
Henry Jolson QC	14	8	-
Jose Romero	3	3	-
Dr Susan Alberti AO HonLLD	14	11	-
Barry Hall	14	10	2
Neil O'Keefe	12	11	-
Simon Garlick	8	6	-

In addition to their attendance at Board meetings, Board members are actively involved in a number of committees and sub-committees that meet periodically through the year to consider matters crucial to the current and future success of the Western Bulldogs.

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The operating result of the Company for the year ended 31st October 2007 was a profit of \$534,214 compared to an operating loss of \$260,555 for 2006.

The net profit of the Company was \$6,317,724 (2006: net profit \$4,274,388) after non operating items, in the current financial year. The Club received grants and interest in relation to the Whitten Oval redevelopment of \$6,775,096 (2006: \$5,556,846). In the 2006 financial year, the Club amended its depreciation policy, in relation to the existing Whitten Oval Leasehold Improvements, resulting in an additional depreciation charge of \$991,586 (2006: \$1,021,903) in the current financial year.

	2007 \$	2006 \$
Operating Result	534,214	(260,555)
Plus: Whitten Oval Receipts	6,500,000	5,502,222
Plus: Interest on Whitten Oval Receipts	275,096	54,624
Less: Additional Depreciation	(991,586)	(1,021,903)
Net Profit	6,317,724	4,274,388

In the current financial year, the Club received distributions from the AFL Annual Special Distribution fund of \$1,700,000 (2006: \$1,700,000) and an AFL distribution of \$250,000 (2006: \$300,000) from the sale of Waverley Park.

No provision for taxation has been made, as the Company is an exempt sporting organisation in accordance with section 50-45 of the Income Tax Assessment Act 1997 and has no associated entities.

REVIEW OF OPERATIONS

Season 2007 has seen the Western Bulldogs continue to improve their off-field performance. The year has produced a trading profit of \$535k which is the Club's first operating profit since 2000. The Club's on-field performance was not as positive with the Club finishing 13th in the AFL. Some of the key highlights for the year included:

1. The Club has for the third successive year set a new Club record for membership. The Club now has 28,725 including over 6,000 new members for season 2007. This represents an increase of 2,683 (10.3%) on 2006 and over 9,400 members since 2004.

- The Club has again enjoyed strong corporate support from our key partners including our Major Sponsor LeasePlan Australia and Premier Partners Worksafe Victoria and Ezybonds. The Club was pleased to add Salta Constructions as the official match ball sponsor and Peter Jackson as the official suit supplier to the Club. We look forward to working closely with our corporate partners again in season 2008.
- Work on the Whitten Oval redevelopment is well underway. Construction of the Elite Learning Centre continues to progress well and is expected to be complete by early March in preparation for the 2008 season. The remainder of the complex is being constructed in a staged program and is expected to be completed by mid to late 2008. Upon completion the community will have access to a variety of services including a new retail store, multi purpose community sports hall and an indoor/outdoor café. Members are encouraged to come down and see the progress of the development.
- Final preparations for the construction of the Childcare Hub are near completion and work is expected to commence before year end. The Childcare Hub will provide an additional 110 child minding places for the City of Maribyrnong. Construction is due to be complete by mid 2008.
- The commencement of the construction of the Whitten Oval redevelopment has caused many members to think that our retail store and hospitality operations at the Oval had ceased. In fact it's business as usual at the Whitten Oval! The Bulldog Shop is currently trading from a temporary facility at the entrance to the Oval on Barkly street, whilst the hospitality operations continues to trade every day from its original location.
- SpiritWest Services continue to expand their multicultural schools program which encourages primary and secondary school students from different backgrounds to experience and learn AFL football. SWS has also continued to deliver a variety of community based programs including Work for the Dole programs and VCAL schooling programs for young (at risk) people. SWS would like to acknowledge the corporate partners



DIRECTORS' REPORT *CONTINUED*

that support the programs being delivered including their Cornerstone Partner - Port of Melbourne Corporation and Community Partners – Macquarie Bank Sports; Olex; Australia Post; Huntsman Chemicals; Victoria University and Department of Justice.

7. The Western Bulldogs and Victoria University continue to strengthen their relationship and have again offered all university staff and students a three game membership in recognition of the growing partnership. There were 2,522 Victoria University members in 2007 which are not included in the official membership total.

The profit in 2007 of \$6,317,724 compares to the profit of \$4,274,388 in 2006. Year on year revenues increased by \$4.1M whilst expenditure increased by \$2.0M.

The year on year improvement of \$2,043,336 comprised of the following:

	\$M
Improved Communications Profits	0.984
Improved Membership	0.567
Improved SpiritWest Services	0.132
Improved AFL Distributions	1.104
Offset by:	
Reduction in Consumer Products	0.052
Reduction in Corporate Marketing	0.224
Reduction in Hospitality Division	0.149
Reduction in Events	0.080
Reduction in Fundraising	0.020
Reduction in Other Income	0.025
Increased Administration Expenditure	0.489
Increased Football Department Costs	0.952
Improvement in Operating Results:	0.796
Non-Operating Activities	
Add: Whitten Oval Funding	0.998
Add: Whitten Oval Interest	0.220
Add: Depreciation Savings	0.030
Net Change	2.044

CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the year under review other than the continuation of the agreement with the Federal and State Governments and others to fund the redevelopment of the Whitten Oval as disclosed elsewhere in this report. The increase in Members Funds is primarily due to the profit result from the 2007 year. Consistent with 2006, the Company has received notification from the AFL outlining its continued support.

SUBSEQUENT EVENTS

Subsequent to the financial year ended 31st October 2007, the AFL has agreed to provide the Club with a further payment from the Annual Special Distribution fund of \$1,700,000 during 2008 subject to specific conditions which the board expects to meet.

LIKELY DEVELOPMENTS

The Company will continue to pursue the objectives set out in its 2007 – 2011 business plan and will continue

to develop its playing group to achieve the ultimate success in Australian Rules Football, a premiership for its members, staff and supporters.

ENVIRONMENTAL REGULATIONS

The Directors have determined that the Company is not subject to any particular and significant environmental regulations either under the Commonwealth or State Legislation.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit, other than:

- A benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements; or
- The fixed salary of a full-time employee of the Company at a relevant time by reason of a contract made by the Company or with a firm of which the Director is a member or with an entity in which the Director has a substantial financial interest.

INFORMATION ON DIRECTORS

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

Director	Experience and Qualifications	Responsibility
David Smorgon OAM Age 60	Appointed 27 November 1996 Executive Chairman InMatrix Pty Ltd Generation Investments Pty Ltd Governor, Sony Foundation of Australia	President Chairman
Ian Veal Bachelor of Business (RMIT) Post Graduate Business (Swinburne) Advance Management Program (Harvard University) Age 56	Appointed 21 February 2001 Fellow, Australian Society of Certified Practising Accountants Associate Institute of Corporate Managers, Secretaries and Administrators Member, Australian Institute of Company Directors Director, Frigrite Limited Director, Wandene Investments Pty Ltd Director, National Board of The Salvation Army Employment Plus	Vice President & Finance Director
George Pappas Bachelor of Economics (Monash University) MBA (Harvard Business School) Age 61	Appointed 1 December 2000 Senior Advisor, The Boston Consulting Group Chairman, Committee for Melbourne Chairman, Monash Medical Research Advisory Board	Planning & Strategy



DIRECTORS' REPORT *CONTINUED*

Director	Experience and Qualifications	Responsibility
Neil O'Keefe Age 60	Appointed 18 December 2006 Former MHR for Burke (1984-2001) Director, Water for Rivers Joint Government Enterprise Director, O'Keefe Solutions Pty Ltd Chair, Victorian Motorcycle Advisory Council Trustee, Crusaders Cricket Foundation Director, Victoria University Foundation	Government
Henry Jolson QC Bachelor of Law (Monash University) Bachelor of Economics (Monash University) Age 60	Appointed 27 February 2002 Queens Counsel Director, Lazar Mayer Pty Ltd Director, J. Kornhauser Investments Pty Ltd Director, 271 Collins Pty Ltd Chairman, Victorian Bar Sports Law Committee Member of the International Court of Arbitration for Sport Director, LM Super Fund Pty Ltd	Legal
Simon Garlick Bachelor of Arts (University of Sydney) MBA (VUT) Age 32	Appointed 17 April 2007 Southern Region Customer Relations Manager, LeasePlan Australia	Football Operations
Dr Susan Alberti AO HonLLD Age 60	Appointed 16 December 2005 Managing Director, Dansu Group Director, Wooling Hill Memorial Gardens President, Juvenile Diabetes Research Foundation Director, Western Bulldogs Forever Foundation Ltd Director, GoldAge Pty Ltd Chairman, St Vincent's Institute Foundation Director, St Vincent's Institute Member of the Advisory Group for the Australian Community Centre for Diabetes in alliance with Victoria University, Western Health and the International Diabetes Institute	Forever Foundation
Barry Hall Age 60	Appointed 14 February 2005 Director, Allover Meats Pty Ltd Director, W.J Drever Pty Ltd Director, Barden Nominees Pty Ltd Director, Consolidated Provincial Meat Group Director, Australian Skins & Hides Pty Ltd Director, Australian Quality Pre-Packed Meats Pty Ltd Director, Australian Specialty Ingredients Pty Ltd Director, Barato Pty Ltd Director, Creswick Supermarkets Pty Ltd Director, Echuca-Moama Syndicate Pty Ltd Director, Hall Management Services Pty Ltd Director, Hanleigh Pines Pty Ltd Director, Langford Property Group Pty Ltd Director, Meanan Pty Ltd Director, Proclam Pty Ltd Director, Roxburgh Park Supermarket Pty Ltd Director, Sundance Land Holdings Pty Ltd Director, Sundance Resort Pty Ltd	Whitten Oval Redevelopment
Gaye Hamilton Age 57 Bachelor of Science Education (Melbourne)	Appointed 21 February 2001 Director, Queen Victoria Women's Centre Trust Director, Seaworks Foundation Member, Zoological Parks & Gardens Board	SpiritWest Services



DIRECTORS' REPORT *CONTINUED*

INDEMNIFICATION OF OFFICERS & AUDITORS

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

The Company did however pay a premium in respect of a contract insuring against a liability incurred as a director, secretary or officer to the extent permitted by the Corporations Act (2001). It is the policy of the Company that the nature of any liability and the amount of any premium not be disclosed.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act (2001) is set out below.

Signed in accordance with a resolution of Directors made pursuant to s. 298(2) of the Corporations Act (2001).
On behalf of the Directors.

David Smorgon OAM
President

Ian Veal
Finance Director

Dated this 15th day of November 2007.

William Buck
Business Advisors
Chartered Accountants

Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001

In the Directors of
FOOTSCRAY FOOTBALL CLUB LTD
TRADING AS WESTERN BULLDOGS
A.B.N. 68 005 226 595

I declare that, to the best of my knowledge and belief, during the year ended 31 October 2007 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001;
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck
 Chartered Accountants

Kate Glynn
 Lead Audit Partner

Dated this 16th day of November 2007.
Melbourne, Australia.

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INDEPENDENT AUDIT REPORT

William Buck
Business Advisors
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the members of
FOOTSCRAY FOOTBALL CLUB LTD
TRADING AS WESTERN BULLDOGS
A.B.N. 65 006 226 896

Report on the Financial Report

We have audited the accompanying financial report of Footscray Football Club Ltd, which comprises the balance sheet as at 31 October 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These 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 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

(1 of 2)

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William Buck
Business Advisors
Chartered Accountants

Auditor's Opinion

In our opinion:

- a) the financial report of Footscray Football Club Ltd is in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the company's financial position as at 31 October 2007 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

William Buck
Chartered Accountants

Ken Glynn
Partner

Dated this 16th day of November 2007.

Melbourne, Australia.

(2 of 2)

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DIRECTORS' DECLARATION

The Directors of the Company declare that:

- (a) The attached financial statements and notes thereto comply with Accounting Standards and the Corporations Act (2001);
- (b) The attached financial statements and notes thereto give a true and fair view of the financial position as at 31st October 2007 and performance for the year ended on that date of the Company;
- (c) 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.

Signed in accordance with a resolution of Directors made pursuant to s. 295(5) of the Corporations Act (2001).

On behalf of the Directors.

David Smorgon OAM
President

Ian Veal
Finance Director

Dated this 15th day of November 2007.
Melbourne, Victoria.

INCOME STATEMENT

FOR THE YEAR ENDED 31ST OCTOBER 2007

	Note	2007 \$	2006 \$
Revenue from Operating Activities	3	27,722,863	24,848,136
Revenue from Non Operating Activities	3(b)	6,775,096	5,556,846
		34,497,959	30,404,982
Corporate Marketing Expense		(2,198,485)	(1,858,888)
Membership Expense		(2,176,042)	(1,740,136)
Hospitality Expense		(3,705,995)	(4,004,914)
Event Expenses		(1,129,916)	(1,171,642)
Consumer Products Expense		(1,013,432)	(722,933)
Football Department Expense		(11,974,592)	(11,005,855)
SpiritWest Expense		(1,145,719)	(1,144,427)
Communications Expense		(504,429)	(609,056)
Administration Expense		(3,979,893)	(3,475,211)
Borrowing Costs Expense		(351,732)	(397,532)
Profit (loss) before income tax		6,317,724	4,274,388
Income tax expense	2 (e)	-	-
Profit (loss) after income tax		6,317,724	4,274,388

The accompanying notes form part of these financial statements

BALANCE SHEET

AS AT 31ST OCTOBER 2007

	Note	2007 \$	2006 \$
ASSETS			
Current Assets			
Cash Assets	6	7,110,616	4,983,968
Trade and Other Receivables	7	1,939,244	1,836,210
Inventories	8	255,769	213,091
Other Assets	9	315,756	339,601
Total Current Assets		9,621,385	7,372,870
Non Current Assets			
Redevelopment Costs	10	6,876,974	1,653,626
Property, Plant and Equipment	11	741,253	1,740,674
Intangible Assets	12	197,890	123,223
Total Non Current Assets		7,816,117	3,517,523
TOTAL ASSETS		17,437,502	10,890,393
LIABILITIES			
Current Liabilities			
Trade and Other Payables	13	5,727,118	5,339,119
Interest Bearing Liabilities	14	4,669,202	4,920,020
Non Interest Bearing Liabilities	15	74,487	65,000
Employee Benefits	16	296,317	343,791
Income Received in Advance	17	162,358	34,713
Total Current Liabilities		10,929,482	10,702,643
Non Current Liabilities			
Interest Bearing Liabilities	14	56,060	35,702
Non Interest Bearing Liabilities	15	-	21,915
Employee Benefits	16	75,713	71,610
Total Non Current Liabilities		131,773	129,227
TOTAL LIABILITIES		11,061,255	10,831,870
NET ASSETS		6,376,247	58,523
MEMBER'S FUNDS			
Retained Profits	18	6,376,247	58,523
TOTAL EQUITY		6,376,247	58,523

The accompanying notes form part of these financial statements



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST OCTOBER 2007

	Note	2007 \$	2006 \$
Cash flows from operating activities:			
Receipts from customers & the Australian Football League		30,141,765	24,125,573
Whitten Oval redevelopment grants		6,500,000	5,502,222
Payments to suppliers and employees		(28,677,488)	(22,706,576)
Interest paid		(351,732)	(397,532)
Interest received		305,178	77,761
Total cash from operating activities	24(b)	7,917,723	6,601,448
Cash flows from investing activities:			
Payments for plant & equipment		(244,839)	(141,985)
Payments for intangible assets		(80,000)	-
Payment for redevelopment costs		(5,223,348)	(1,465,258)
Net cash used by investing activities		(5,548,187)	(1,607,243)
Cash flows from financing activities:			
Repayment of liabilities relating to financed assets		(20,020)	(18,638)
Repayment of other borrowings		(222,868)	(163,130)
Net cash used by financing activities		(242,888)	(181,768)
Net cash increase in cash and cash equivalents		2,126,648	4,810,437
Cash and cash equivalents at beginning of year		4,983,968	173,531
Cash and cash equivalents at end of year	24(a)	7,110,616	4,983,968

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST OCTOBER 2007

	Total Member Funds \$
Balance at 1 November 2005	(4,215,865)
Profit for the period	4,274,388
Balance at 31 October 2006	58,523
Profit for the period	6,317,724
Balance at 31 October 2007	6,376,247

The accompanying notes form part of these financial statements



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2007

NOTE 1

FOOTSCRAY FOOTBALL CLUB LTD. ("The Company")

The Footscray Football Club Ltd trading as Western Bulldogs is a Company limited by Guarantee where the statutory members guarantee the liabilities of the Company to the extent of \$2 each.

The financial report of Footscray Football Club Ltd was authorised for issue by the directors on 15th November 2007.

NOTE 2

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been adopted in the preparation and presentation of the financial report are:

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, AASB Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act (2001). The financial report has been prepared in a historical cost basis, modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) Statement of Compliance

The financial report complies with all Australian Accounting Standards, which include Australian equivalent to International Financial Reporting Standards ("AIFRS") in their entirety.

(c) Critical accounting estimates and judgements

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, obtained both externally and within the group. Actual results may differ from these estimates.

The accounting policies detailed in note 2 provides details of these estimates, judgements and assumptions.

(d) Going Concern

The financial report has been prepared on the basis of the Company

continuing as a going concern. The Company currently has a net asset deficiency excluding cash set aside for the redevelopment. Despite this fact, the Company's directors consider the going concern assumption to be an appropriate basis as the Australian Football League (AFL) has committed to continued support. This support is in the form of Annual Special Distribution fund payments and the use of future AFL distributions as a guarantee for further finance from a financial institution. Refer to notes 14(c) and 27. The financial report does not include any of the adjustments necessary should the Company be unable to continue as a going concern.

(e) Income Tax

Income tax has not been provided for in the financial statements of the Company, as it is an exempt sporting organisation in accordance with Section 50-45 of the Income Tax Assessment Act 1997 and the company has no associated entities.

(f) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost, less any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured at cost less accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are

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

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

Class of Asset	Depreciation Rates
Leasehold Improvements	4 %
Plant and Equipment	5% - 40 %

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(g) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2007

NOTE 2

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(i) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist.

Subsequent to initial recognition these instruments are 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 and are stated at amortised cost using the effective interest rate method.

Financial liabilities

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

(j) Employee Benefits

Wages, Salaries and Annual Leave

Liabilities for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Long-term service benefits

The Company's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Governments bonds at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations.

Superannuation

The amount charged to the Income Statement in respect of superannuation represents the contributions made by the Company to superannuation funds.

(k) Inventories

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

(l) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the profit or loss. Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised. AFL sourced income; Gate Receipts/ Match Returns and AFL prize money are recognised on an accrual basis. Sponsorship, membership and coteries/supporters revenue is recognised in the relevant football year. Revenue from donations is recognised on an accruals basis. Revenue from the sale of goods is recognised upon delivery of goods to customers.

Gaming commission and function revenue are recognised on an accruals basis.

(n) Goods and Services Tax (GST)

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

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

(o) Intangible Assets

Goodwill

Goodwill acquired in a business combination in respect of gaming venue operations is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Lease Acquisition Costs

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

(p) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2007

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(q) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(r) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(s) Income Received in Advance

Income is brought to account in the period in which it relates. Income received prior to 31 October 2007, which relates to future periods, has been recorded as income received in advance, and will be brought to account in the forthcoming period.

(t) Comparative Figures

When required comparative figures have been adjusted to conform to changes in presentation for the current year.

(u) AFL Distribution from Sale of Waverley Park

Following the sale of Waverley Park to Mirvac Pty Ltd, the AFL advised the Company that it would distribute \$2 million from the sale proceeds during October in the years 2002 to 2008. The Club has been advised that these payments are conditional upon and subject to certain conditions. Due to the uncertainty of receipt of the sale proceeds in future years, the Company recognises the income distributions on a cash received basis. During October 2007 the Company received \$250,000 being the sixth instalment of its entitlement. These monies have been treated as revenue in the 2007 year (Refer to Note 3(b)).

The balance of the proceeds being \$250,000 has not been brought to account in the current financial year (Refer note 19 (a))

(v) Annual Special Distribution (Formerly "Competitive Balance Fund")

The AFL has committed to supporting the company with an Annual Special Distribution payment of \$1,700,000 (2006: \$1,700,000) in the year ending 31 October 2007. (Refer to note 3(a)).

(w) Redevelopment of Whitten Oval

The Company has agreements with the Commonwealth of Australia, State of Victoria, and other bodies in relation to the granting of funding for the redevelopment of the Whitten Oval. This funding is expected to total approximately \$21.5 million of which more than half has been received in the current and prior financial years with the remainder received over the next four financial years.

The Company has been advised that these payments will be conditional and subject to certain conditions.

Instalments of \$12,000,000 (excluding GST) have been received (\$6,500,000 in the current financial year). As these funds were under the Company's control, and were fully committed by year end, they have been treated as revenue in the 2007, 2006 and 2005 years (refer to note 3(b)). Costs associated with the Redevelopment such as Feasibility Studies, Planning Permits and Demolition costs have been capitalised as Redevelopment Costs (Refer to note 10).

(x) New Accounting standards and AASB Interpretations

Certain new accounting standards and AASB interpretations have been published that are not mandatory for 31 October 2007 reporting periods but contain an option for early adoption. The company has reviewed each of these new standards and interpretations and is satisfied that they have no impact on the reported financial position and performance of the Company for the year ended 31 October 2007 and therefore there has been no early adoption of these standards.

	2007 \$	2006 \$
NOTE 3 REVENUE		
(a) Revenue from Operating Activities		
AFL Sourced Income	5,763,082	4,485,085
AFL – Waverley Park Proceeds (note 2(u))	250,000	300,000
AFL – Annual Special Distribution (note 2(v))	1,700,000	1,700,000
AFL Prize Money	25,000	95,000
Gate Receipts/Match Returns	933,074	970,388
Corporate Marketing	5,399,792	5,002,011
Membership	4,596,636	3,593,764
Hospitality Division	4,179,988	4,639,959
Events and Fundraising	2,129,735	1,674,710
Consumer Products	1,201,333	963,290
SpiritWest Services	1,491,631	1,357,789
Grants & Donations Received	22,509	43,003
	27,692,780	24,824,999
Revenue from Other Activities		
Interest – Other Persons	30,083	23,137
	27,722,863	24,848,136
(b) Revenue from Non Operating Activities		
Whitten Oval redevelopment grants and interest (note 2(w))	6,500,000	5,502,222
Interest in relation to redevelopment monies	275,096	54,624
	6,775,096	5,556,846
Total Revenue	34,497,959	30,404,982



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2007

	2007 \$	2006 \$
NOTE 4 PROFIT FROM ORDINARY ACTIVITIES		
(a) Expenses		
Borrowing Costs:		
- Interest Paid – Other Persons	350,895	397,186
- Finance Lease Charges	837	346
	351,732	397,532
Bad Debts Expense/(write back)	(3,171)	36,455
Rental expense on operating leases	595,985	538,237
Amortisation of:		
- Lease Acquisition Costs	5,333	-
Depreciation of:		
- Outerground Leasehold Improvements	343,254	193,417
- Leasehold Improvements	471,577	921,757
- Plant & Equipment	415,234	201,418
- Leased Assets	14,195	10,597
	1,244,260	1,327,190
NOTE 5 AUDITORS' REMUNERATION		
Amounts received or due and receivable by Auditors for:		
- Auditing the accounts	27,000	24,000
- Preparation of the financial report	9,000	8,500
- Other audit services	21,750	19,000
- Other advisory services	8,535	-
The auditors received no other benefits.		
NOTE 6 CASH ASSETS		
Cash on hand	355,241	313,290
Cash at bank	352,679	507,439
Cash at bank held for Whitten Oval redevelopment	6,402,696	4,163,239
	7,110,616	4,983,968
NOTE 7 RECEIVABLES		
Trade and other Debtors	1,971,073	1,877,210
Less Provision for impairment of receivables	(31,829)	(41,000)
	1,939,244	1,836,210
NOTE 8 INVENTORIES		
Food & Liquor Stores – at cost	16,528	41,397
Bulldog Shop Merchandise – at lower of cost or realisable value	239,241	171,694
	255,769	213,091
NOTE 9 OTHER ASSETS		
Pre-payments	299,295	275,050
Unexpired Contra services	16,461	64,551
	315,756	339,601
NOTE 10 REDEVELOPMENT COSTS		
Whitten Oval redevelopment costs – Refer note 2(w)	6,876,974	1,653,626
Reconciliation of redevelopment costs		
Reconciliation of the carrying amount of redevelopment costs at the beginning and end of the current financial year are set out below:		
Carrying amount at 1 November 2006	1,653,626	188,366
Additions	5,223,348	1,465,260
Carrying amount at 31 October 2007	6,876,974	1,653,626



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2007

	2007 \$	2006 \$
NOTE 11 PROPERTY PLANT & EQUIPMENT		
Leasehold Improvements - at cost	3,501,639	3,501,639
Less Accumulated Depreciation	(3,501,639)	(2,686,808)
	-	814,831
Plant & Equipment - at cost	1,137,199	3,186,039
Less Accumulated Depreciation	(464,853)	(2,300,778)
	672,346	885,261
Plant & Equipment under Finance Lease – at capitalised cost	95,649	53,129
Less Accumulated Depreciation	(26,742)	(12,547)
	68,907	40,582
Total Property, Plant & Equipment	741,253	1,740,674

Reconciliation of carrying amounts

Reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Leasehold Improvements	Plant & Equipment	Leased Assets	Total
Carrying amount at 1 November 2006	814,831	885,261	40,582	1,740,674
Additions	-	202,319	42,520	244,839
Depreciation Expense	(814,831)	(415,234)	(14,195)	(1,244,260)
Carrying amount at 31 October 2007	-	672,346	68,907	741,253

	2007 \$	2006 \$
NOTE 12 INTANGIBLE ASSETS		
Goodwill	123,223	123,223
Lease Acquisition Costs	80,000	-
Accumulated Amortisation – lease acquisition costs	(5,333)	-
	197,890	123,223

NOTE 13 TRADE & OTHER PAYABLES

Trade Creditors	4,236,967	3,215,110
Other Creditors and Accruals	1,490,151	2,124,009
	5,727,118	5,339,119

NOTE 14 INTEREST BEARING LIABILITIES

(a) Current

Westpac Banking Corporation Facility 14(c)	4,650,000	4,900,000
Finance Lease Liability * - Refer note 22(c)	19,202	20,020
Bank Overdraft – Refer note 14(c)	-	-
	4,669,202	4,920,020

(b) Non-Current

Finance Lease Liability * - Refer note 22(c)	56,060	35,702
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* - Effectively secured by the respective assets

(c) Security

Flexible Fully Drawn Advance Facility/Commercial Bill - secured by (1) a second ranking registered company charge (with a deed of priority to rank first) over the assets of Footscray Football Club Ltd to the amount of \$5,250,000 and (2) a standard guarantee and indemnity limited to \$5,000,000 by Australian Football League ("AFL") in favour of the Westpac Banking Corporation which is fully utilised and \$250,000 is secured by a guarantee granted under the AFL Waverley Park sale in favour of the Westpac Banking Corporation (Refer to note 2(u)).



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2007

	2007 \$	2006 \$
NOTE 15 NON-INTEREST BEARING LIABILITIES		
(a) Current		
Loan – unsecured	74,487	65,000
(b) Non-Current		
Loan – unsecured	-	21,915
NOTE 16 EMPLOYEE BENEFITS		
(a) Current		
Provision for Annual Leave	296,317	343,791
(b) Non-Current		
Provision for Long Service Leave	75,713	71,610
(c) Aggregate Employee Benefits	372,030	415,401
NOTE 17 INCOME RECEIVED IN ADVANCE		
Income in Advance	162,358	34,713
NOTE 18 RETAINED (LOSSES)		
Retained (Losses) at the beginning of the financial year	58,523	(4,215,865)
Net Profits attributable to members	6,317,724	4,274,388
Retained Profits at the end of the financial year	6,376,247	58,523

NOTE 19 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

- (a) Following the sale of Waverley Park, the AFL has advised all football Clubs that it will distribute \$2 million from the sale proceeds over a period of 30 October 2002 to October 2008. The Clubs have been advised that these payments are subject to certain conditions. As at 31 October 2007, \$250,000 of these monies was still to be received. This has not been recognised in the financial report at 31 October 2007. (Refer note 2(u)).

Contingent Liabilities

- (b) In December 2002, the AFL Clubs and the players entered in to a Federally Certified Long Service Leave Agreement. This agreement removed the State Long Service Leave entitlements of the players. Instead, the players receive additional annual leave after a set number of years service and consequently Clubs will not be required to accrue for long service leave liabilities for players. This agreement does not cover players who left a Club prior to the agreement being signed. Therefore, the Club may be liable for long service leave claims of players who have left the Club prior to December 2002. No provision has been recognised in this financial report at 31 October 2007, for this potential liability. The Club does not know of any players with such claims.
- (c) Following negotiations between the Company and the City of Maribyrnong, in 1996, an agreement was entered into whereby the Company's indebtedness to the council was reduced from approx. \$1,900,000 to \$750,000. Although the council has a mortgage debenture charge over the assets of the Company, the \$750,000 debt will only become due and payable if one of a number of specified events occurs. These events include: -
1. The Company ceases to carry on business or becomes insolvent.
 2. The Company ceases to field a senior team in the AFL.
 3. The Company merges with or is acquired by another entity.
 4. The Company no longer represents the western region of Melbourne.

As the Directors did not believe that any of the above events would occur, there was no certainty that the loan will be repaid. Accordingly, in accordance with provisions of Australian Accounting Standards, the entire balance of the loan was written off as an abnormal item in the 1996 financial statements. Should any of the contingencies specified within the agreement occur, the Company may become liable for the repayment of the \$750,000 principal and any interest accrued.

- (d) The Club has contractual remuneration commitments extending beyond this financial year in respect of its players. Within the next 12 months these liabilities amount to \$6,385,450 (2006: \$6,328,145). After the next 12 months they amount to \$4,956,500 (2006: \$4,012,850).
- (e) As at 31 October 2007, the company had a contingent liability to a financial institution in relation to bank guarantees held on behalf of three different parties. These guarantees total \$123,500.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2007

	2007 \$	2006 \$
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NOTE 20 RELATED PARTY TRANSACTIONS

(a) Identification of related parties

The company has a related party relationship with its key management personnel and their associated entities
The company has a related party relationship with the Western Bulldogs Forever Foundation, an entity for which Dr Susan Alberti AO HonLLD is a director.

NOTE 21 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Transactions with key management personnel

The key management personnel compensation included in 'employee expenses' are as follows:

Short-term employee benefits	2,195,107	1,817,960
Other long term benefits	-	-
Post-employment benefits	121,223	178,266
Termination benefits	-	-
	2,316,330	1,996,226

(b) Loans and other transactions with key management personnel

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

A number of these entities transacted with the Company in the reporting period. The terms and conditions of the transactions with directors and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on arms length basis.

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

(i) Corporate sponsorship / hospitality services receipts received from the following companies in which key management personnel have a beneficial interest on commercial terms and conditions - Goldage Pty Ltd (Dr Susan Alberti AO HonLLD)	110,000	110,000
(ii) Donations receipts in relation to the Whitten Oval Redevelopment received from the Western Bulldogs Forever Foundation, an entity in which Susan Alberti AM Hon LLD is a director.	-	1,874,222
(iii) Payments for services to the Football Department made to the following companies in which Key management personnel have a beneficial interest on commercial terms and conditions: - Mayko Pty Ltd (Jose Romero)	-	25,000
(iv) Simon Garlick receives payments for services to the Football Department. - Simon Garlick	15,000	-
(v) 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 22 CAPITAL AND LEASING COMMITMENTS

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

Amount Payable:		
Not later than one year	426,671	392,417
Later than one year but not later than five years	863,089	386,424
Later than five years	569,878	626,497
	1,859,638	1,405,338

Operating lease commitments include the lease of the property located at Whitten Oval, 417 Barkly Street, Footscray West. The lease with the City of Maribyrnong has a 25 year term that ends on 30th September 2021. Lease payments are payable monthly in arrears. At the commencement of the 2001/2002 year, lease payments were indexed by the greater of 5% or CPI.

The remaining operating leases relate to three other properties, computer equipment and motor vehicles used in the operations of the Club. These leases generally have a term of 3-5 years, do not contain bargain purchase options and contain normal commercial terms and conditions.

(b) Maintenance agreement with the City of Maribyrnong

Amount Payable:		
Not later than one year	121,483	117,081
Later than one year but not later than five years	549,789	529,865
Later than five years	1,709,635	1,879,491
	2,380,907	2,526,437

The nature and timing of the maintenance agreement with the City of Maribyrnong coincides with the lease of Whitten Oval including indexation of maintenance payments (by the greater of 5% or CPI) from the commencement of the 2001/2002 year. Neither the property leases nor the maintenance agreement contain options to extend.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2007

	2007 \$	2006 \$
NOTE 22 CAPITAL AND LEASING COMMITMENTS (Cont'd)		
(c) Finance Lease Commitments		
Amount Payable: Not later than one year	24,209	23,379
Later than one year but not later than five years	62,361	39,487
Minimum finance lease payments	86,570	62,866
Less future finance charges	(11,308)	(7,144)
Finance Lease Liability	75,262	55,722
Represented by: Current Liability - Refer note 14(a)	19,202	20,020
Non-Current Liability – Refer note 14(b)	56,060	35,702
	75,262	55,722

Finance lease commitments include the lease of computer equipment which has a five year term ending in July 2010 as well as the lease of a photocopier which has a five year term ending in June 2012.

(d) Capital Commitments

The Company is committed to the redevelopment of the Whitten Oval and Childcare Hub, at a cost of approximately \$21.5 million (of which \$6.9 million has been spent, to date (refer note 2 (w)), pursuant to contracts between the Company, the Federal Government and other funding bodies. The Company has entered into contracts with a number of parties to carry out the redevelopment works.

NOTE 23 SEGMENT REPORTING

The Company operates in the sporting industry solely within Australia by fielding an Australian Rules Football team in the AFL.

NOTE 24 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, and investments in money market instruments on a short term basis net of bank overdrafts.

Cash at the end of the year is shown in the Balance Sheet as:

Cash on hand	355,241	313,290
Cash at bank	352,679	507,439
Cash held at bank for Whitten Oval Redevelopment	6,402,696	4,163,239
	7,110,616	4,983,968

(b) Reconciliation of the operating profit/(loss) after income tax to net cash flows from operating activities

Operating Profit/(Loss) after Income Tax	6,317,724	4,274,388
Depreciation	1,244,260	1,327,190
Amortisation	5,333	-
	7,567,317	5,601,578

Changes in net assets and liabilities

(Increase)/Decrease in Trade Debtors, Accrued Revenue and Other Debtors	(103,034)	(773,847)
(Increase)/Decrease in Prepayments	(24,245)	46,761
(Increase)/Decrease in Other Current Assets	48,090	151,693
(Increase)/Decrease in Inventories	(42,678)	379
Increase/(Decrease) in Trade Creditors and Accruals	387,999	1,479,373
Increase/(Decrease) in Employee Provisions	(43,371)	172,783
Increase/(Decrease) in Income in Advance	127,645	(77,272)
Net Cash Flows from Operating Activities	7,917,723	6,601,448

NOTE 25 FINANCE FACILITIES

At balance date, the Company had the following arrangement with the Westpac Banking Corporation.

(a) Commercial Bills

Limit	5,250,000	4,900,000
Amount utilised at the end of the financial year	(4,650,000)	(4,900,000)
Amount un-utilised at the end of the financial year	600,000	-



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2007

NOTE 26 FINANCIAL INSTRUMENTS

The Company's principal financial instruments, comprise bank loans, finance leases and hire purchase contracts, cash and short-term deposits. The main purpose of these financial instruments is to finance for the Company's operations.

The Company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The policies for managing each of these risks are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosure in note 2 to the financial statements.

Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's long term debt obligations.

The company's policy is to manage its interest cost using a mix of fixed and variable rate debt.

Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Company trades only with recognised, creditworthy third parties.

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Company at the balance sheet date.

Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases.

Fair value

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standards terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Transaction costs are included in the determination of net fair value.

Interest Rate Risk

The following summarises interest rate risk for the Company, together with effective interest rates as at balance date.

	Fixed Interest Rate Maturity							Total \$
	Average Interest Rate %	Variable Interest Rate \$	Less than 1 year \$	1 to 5 years \$	More than 5 years \$	Non-Interest Bearing \$		
2007								
Financial Assets								
Cash on Hand	-	-	-	-	-	355,241	355,241	
Cash at Bank	3.80%	6,755,375	-	-	-	-	6,755,375	
Receivables	-	-	-	-	-	1,939,244	1,939,244	
		6,755,375	-	-	-	2,294,485	9,049,860	
Financial Liabilities								
Commercial Bills	6.94%	4,650,000	-	-	-	-	4,650,000	
Lease Liability	7.98%	-	19,202	56,060	-	-	75,262	
Unsecured Loans	-	-	-	-	-	74,487	74,487	
Trade Creditors and Accruals	-	-	-	-	-	5,727,118	5,727,118	
		4,650,000	19,202	56,060	-	5,801,605	10,526,867	
2006								
Financial Assets								
Cash on Hand	-	-	-	-	-	313,290	313,290	
Cash at Bank	2.54%	4,670,678	-	-	-	-	4,670,678	
Receivables	-	-	-	-	-	1,836,210	1,836,210	
		4,670,678	-	-	-	2,149,500	6,820,178	
Financial Liabilities								
Commercial Bills	6.85%	4,900,000	-	-	-	-	4,900,000	
Lease Liability	7.45%	-	20,020	35,702	-	-	55,722	
Unsecured Loans	-	-	-	-	-	86,915	86,915	
Trade Creditors and Accruals	-	-	-	-	-	5,339,119	5,339,119	
		4,900,000	20,020	35,702	-	5,426,034	10,381,756	



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2007

NOTE 27 SUBSEQUENT EVENTS

Since the end of the 2007 financial year, the Western Bulldogs has received confirmation that the 2008 payment for the Annual Special Distribution from the AFL, of \$1,700,000, is to be paid in the 2008 financial year, subject to certain conditions which the board expect will be met.



NOTICE OF ANNUAL GENERAL MEETING

FOOTSCRAY FOOTBALL CLUB LIMITED
(TRADING AS WESTERN BULLDOGS)
ACN 005 226 595

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Members of the Club will be held at The Meeting Place, Moonee Valley Racecourse, McPherson St, Moonee Ponds on 17th December, 2007 commencing at 7.00 p.m.

The business to be transacted is:

1. Reception and Consideration of the 2007 Financial Report, Directors Report & Independent Audit Report
2. Announcement of Officer Bearers and Directors
3. Presentation of Life Memberships and Certificates
4. Any other business of which 28 days notice has been given to the Chief Executive by any 20 financial members in accordance with the requirements of the Company's Constitution.

Please note:

Only Ordinary, Life or Social Club Members whose name appears on the Official Register of Members as of the 1st of June 2007, who are over the age of 18 years and who shall not be owing any money to the Club shall be eligible to vote at the Annual General Meeting. Honorary Members, Junior Members, Junior Social Club Members, Temporary Members, Gaming Members, Ordinary Members who are under the age of 18 years shall not be eligible to vote at any meeting or at any election of the Club nor shall they count for the purpose of the quorum.

By Order of the Board

CAMPBELL A. ROSE
Chief Executive

DATED this 15th day of November 2007



WESTERN BULLDOGS
2007 FINANCIAL REPORT