



WESTERN BULLDOGS
2012 FINANCIAL REPORT



#3 Mitch Wallis



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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 2012 and auditors 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:

David Smorgon OAM

Ian Veal

Dr Susan Alberti AO HonLLD

George Pappas

Geoffrey Walsh AO

Gaye Hamilton

Barry Hall

Gary Kent (Appointed 8 December 2011)

Christopher Grant (Appointed 9 January 2012)

Henry Jolson QC (Resigned 8 December 2011)

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 2012 was a loss of \$136,679 (2011: \$121,762).

The net loss for the company for the year amounted to \$131,679 (2011: profit of \$877,175). The club received grants and interest in 2011 in relation the Whitten Oval Redevelopment of \$755,413.

	2012	2011
	\$	\$
Operating result	(136,679)	121,762
Plus: Whitten Oval Receipts	-	755,413
Net Profit/(Loss)	(136,679)	877,175

In the current financial year, the company received distributions from the AFL Annual Special Distribution fund of \$2,870,000 (2011: \$1,700,000).

Review of operations

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



DIRECTORS' REPORT

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.

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.

No significant change in the nature of these activities occurred during the year.



DIRECTORS' REPORT

Company performance

Season 2012 has seen the Western Bulldogs produce an operating loss of \$136,679 compared to an operating profit of \$121,762 in 2011.

Some of the key highlights for the year included:

Membership

The Bulldogs achieved over 30,000 members for only the third time in our history in 2012. Though lower than the previous year, this marked a significant achievement for the Club.

The launch of a new innovative membership sales website, developed in partnership with a leading US-based digital marketing agency, will provide a simpler user journey going forward which we believe will encourage more of our existing members to renew online and entice new supporters to explore membership with us.

The return of an in-house member services team proved to be a welcome step forward and in 2013 the Club will continue to strive for improvements in its customer service to members. Indeed, a new suite of member retention programs and initiatives are being launched to engage, celebrate and reward our loyal and passionate member base.

Equally, engaging with kids and families has become a strategic priority and with 5,000 junior members and a significant number of family members the Club is making inroads into this growth area.

2013 is expected to be a challenging year for membership given the disappointing end to the 2012 Season. However, our comprehensive membership strategy which is underpinned by a customer-focused service culture and an acquisition strategy aimed at leveraging our growing fan base in the West will continue to build our membership foundations.

Football

After an obviously challenging year on-field for the Club - in which emphasis was placed on developing young talent while implementing a new game plan under new Senior Coach, Brendan McCartney - the Club is looking forward to building a sustainable and successful future on a solid foundation.

Since 2005 there has been a \$4.2 million funding injection to our Football Department with an additional \$1.2 million delivered in 2012. The completion of the \$31 million redevelopment of Whitten Oval also means we have some of the best community, commercial and elite training facilities in the competition.

In the last year alone the Club has funded ten new positions in the Football Department including the appointment of a new fulltime Development Coach and List Manager, supported with funding from the AFLs Club Equalisation Fund.

These investments are complimented by a boost in capital expenditure, including the recent acquisition of an Alter-G treadmill to assist injured players rehabilitate.



DIRECTORS' REPORT

Consumer Products

The 2012 Season presented many challenges in the Consumer Products department.

Consumer behaviour has continued to change in the last twelve months resulting in reduced spend in the retail market not just in the AFL landscape but across all retail.

During 2012 we undertook many new successful initiatives such as a promotional campaign with the London Olympics, 'When We Win, You Win' offer and for the first time a Mid-Season Sale. Merchandise at home games was taken to the next level with an extremely successful 'First Goal' promotion where fans were rewarded when the team kicked the first goal of the quarter with a popular merchandise offer.

Looking towards 2013 we have implemented several strategies to put the Consumer Products department in a more profitable position. Decrease in spend and acquiring the correct resources have been crucial to prepare merchandise for a more successful year. Decreasing the clubs stock levels is the number one priority in 2013. We will also continue to work hard to be one of the top AFL club merchandise departments for Social Media interaction with Members and Fans.

Events

In 2012 we delivered several successful Club events which were well supported by Western Bulldogs Members and Fans.

Our first event for the year, the annual Western Bulldogs Family Day at Whitten Oval attracted a crowd of about 6,000 including Western Bulldog Number One Ticket holder, and Prime Minister, Julia Gillard. Fans also got the chance to hear from new Senior Coach, Brendan McCartney.

The Western Bulldogs' Season Launch at Crown Palladium, was a great way to kick off Season 2012 with 900 people in attendance.

Following on from the success of our inaugural Hall of Fame Dinner in 2010, 700 Bulldog faithful attended this year's 2012 Hall of Fame event which saw more greats inducted and the elevation of Hall of Fame Member, John Schultz, to legend status.

A new addition to the Bulldogs events calendar in 2012 was our Central Bulldogs District (CBD) Lunch held at the RACV Club. More than 300 people attended the inaugural event, hosted by former great Luke Darcy and featuring AFL Chief Operating Officer, Gill McLachlan as the key note speaker. We look forward to the CBD Lunch being even bigger and better in 2013 following on from its success in 2012.

The footy year ended with the Charles Sutton Medal (Best & Fairest). We paid tribute to two retirees in Lindsay Gilbee and Ryan Hargrave and witnessed Matthew Boyd being crowned the Charles Sutton Medallist for the third time. It was also the first Charles Sutton Medal function without the great man himself in attendance, following Charlie's passing earlier in the year.

Over the year the Club ran a number of corporate, community and social events which were all well received and attended by Members and Fans. Our Inside the Kennel at the Pound Café at Whitten Oval continues to go from strength to strength.

Away from the Club's own events, the conference rooms at Whitten Oval have increasingly come to life with many local businesses taking up the opportunity to utilise the state of the art facilities including National Safety Council Australia (NSCA), Olex and Victoria University. The Events Team are continuing to work hard to ensure our fantastic facilities are accessible to the Western Region community.



DIRECTORS' REPORT

SpiritWest Services

2012 has proved to be a year of consolidation and innovation for SpiritWest Services.

The delivery of core community services including Fresh, Settlement Programs and its Multicultural Programs have continued to define the Club as an integral part of the Western Region and leaders in Australian sport in building community capacity.

The Club's commitment to being an inclusive organisation and using the power of sport to build bridges between diverse communities has further evolved this year to include the development of the interfaith football team – MUJU (Muslim-Jewish) which won the AFL-AFP Unity Cup; the creation of partnerships with disability service providers Annecto and Mambourin Enterprises for the delivery of vocational programs for people with a disability and; the creation of an International Students program – Passport to the West which is an initiative sponsored by Melbourne Airport and aimed at engaging International Students from Victoria University.

The Western Bulldogs would like to 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 thanking its funding partners, Department of Immigration & Citizenship, Federal Attorney General's Department, Adult Community Further Education and AFL Multicultural Program.

We would also like to acknowledge its community partners Nexans Olex, Programmed, Melbourne Airport, Macquarie Sports and Qenos for their invaluable financial and in-kind support in helping support the engagement of our heartland, as well as a broad range of grass roots community agencies who remain an integral part of us being the Community Club of the AFL.

Business Development

2012 was a challenging year for the Commercial Partnerships team with the decline in on-field performance and resulting turn down in match attendance having an impact across all revenue arms of the Club.

Positives were the stability at the top end of our sponsor profile with Mission and WorkSafe committed to multi-year agreements. We also bought on new partnerships with a number of smaller sponsors such as Melbourne Airport, D& K Office Supplies & Jemena. These sponsors have been in line with our five year strategy of Winning the West with their primary objective of growing their brand presence in Melbourne's West. We continue to focus on increasing the number of sponsors in the \$50k - \$500k range per year in 2013 and establishing a more balanced profile in our corporate supporters.

Corporate Hospitality also proved challenging in 2012. Whilst we increased the overall seat numbers in President's Club and the number of Corporate Suites, we did not receive a significant boost from what was expected to be a favourable commercial draw primarily due to a decrease in on-field performance. However, we were able to creatively engage with a number of partners to expand their presence in our Corporate Hospitality.

2013 will provide a great opportunity to continue to work with businesses in the West and we have enhanced our Corporate Hospitality offering to provide more flexibility to current and prospective partners.



DIRECTORS' REPORT

Entertainment Venues (Hospitality)

The Club's entertainment venues, Club Leeds in Footscray and the Peninsula Club, Dromana, continue to provide significant facilities to a range of members. Again in 2012, the government's Community Benefits Statement issued by the Club confirmed that we provided over \$2.9 million of community benefits (67.5% of revenue) – far in excess of the minimum requirement of 8.3%.

The Club owns the freehold land and buildings at the Peninsula Club, Dromana which continues to grow its food and beverage offering to a wider group of Members and Fans. During 2012, the Peninsula Club received planning approval for an extension to the front decking which will provide a significant increase in our capability to hold conferences as well as a great location to enjoy meals under the stars.

The Club continues to work on the establishment of a new state-of-the-art venue in Edgewater Maribyrnong to replace the Whitten Oval social venue. As such a large project, it has taken longer than originally forecast. However, all Planning and Liquor approvals have now been received and we are working with the property owner to bring this important development to completion. At this stage, we are envisaging end 2013 for the opening of the Edgewater venue.

Communications

In a challenging media environment the Western Bulldogs have continued to effectively communicate with Members and Fans across a broad range of platforms in 2012.

Following on from the Club's launch of official fan pages on Facebook and Twitter in 2010, the Western Bulldogs reached 47,000 Facebook followers during the year expanding our reach by 12,000 in the last 12 months. Twitter numbers have almost doubled in the last year rising to 12,500 and the Club's recent foray into Google+ has seen 16,000 people joining the Club's circle.

Our commitment to producing engaging video content on www.westernbulldogs.com.au paid-off with Bulldogs TV views skyrocketing this year, up 300 per cent on 2012. This has seen the Bulldogs top the table for growth in this important area across the league this year.

Despite a challenging year, the Club's relationship with the media continued to stay strong and grow in 2012.

Fan Development

Growing the Western Bulldogs fan base has been a strategic priority in 2012 and the Club increased the number of activities and programs that aimed to both capture a new generation of fans and engage better with its existing loyal supporters with support from the AFL Equalisation Fund.

The Club has put in place a multi-channel strategy that combines both traditional marketing mediums such as print, TV and radio with new digital engagement channels (social media and web) and "experience" based activities.

Online, the Bulldogs have become a leading player in digital innovation, which has been reflected in increasing web statistics, videos and prospect data captured. Successful across-platform promotional activities such as "Mission Possible" and "Social Showdown" blended online content, social engagement and ticket offers around our blockbuster matches against Collingwood and Hawthorn respectively. On match day, Western Bulldogs fans have had more to do and see with game day themes, crowd interactions and big screen games and videos on display.

Our relationships with schools and grassroots football continued to grow in 2012. With 56 Bulldog Friendly



DIRECTORS' REPORT

schools in the Western Region, the Bulldogs interact with over 4,500 school kids and the program continues to develop and add new activities such as Whitten Oval tours and online junior content. The Club also became the junior partner to the Western Region Football League opening up new opportunities to engage with local young footballers and clubs.

Next year the progress will continue as the Club looks to increase its reach into the Western Region and breadth of content across all existing and some new channels that will set us apart from other Clubs and win the hearts and minds of future Bulldog members.

Whitten Oval Redevelopment

We are pleased that our final two tenants, JDRF and insideEDGE Sport & Leisure Planning, have relocated to Whitten Oval with all tenancies now fully occupied.

With the opening of the Whitten Oval Community Sports Hall in August last year, and the completion of these tenancies, the vision of an all-inclusive community hub at Whitten Oval has truly become a reality. The Sports Hall, Bulldogs Community Children's Centre and the Club's conference rooms provide very tangible evidence of the transformation of the Whitten Oval precinct abuzz with toddlers, school children, youth and adults from morning to night.

Together with fellow tenants, Victoria University, Department of Education & Early Childhood Development, PhysioPlus Footscray, Pound Café and the Western Region Football League, the \$32 Million Whitten Oval redevelopment has brought together an ideal mix of sport, education and community.

Providing these facilities and services to the whole western region of Melbourne at the Whitten Oval precinct continues to deliver significant outcomes for the Western Bulldogs as the community club of the AFL.

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 \$2.95 million from the New Club Future Fund which is predominately tagged to specific initiatives. This is to be paid during the 2013 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 company is in the process of formalising agreements for the leasehold of the EdgeWater development in Maribyrnong which will see the company operate the venue for a period of 10 years upon completion of the development which is expected in early 2014.

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.



DIRECTORS' REPORT

Information on Directors

David Smorgon OAM

Experience

President and Chairman
Director, Generation Investments Pty Ltd
Governor, Sony Foundation of Australia

Ian Veal

Qualifications

Vice President and Finance Director
Bachelor of Business (RMIT)
Post Graduate Business (Swinburne)
Advance Management Program (Harvard University)

Experience

Fellow, Australian Society of Practicing Accountants
Associate, Institute of Corporate Managers, Secretaries and Administrators
Member, Australian Institute of Company Directors

Dr Susan Alberti AO

HonLLD

Experience

Forever Foundation
Managing Director, Dansu Group
National President, Juvenile Diabetes Research Foundation
Director, Juvenile Diabetes Research Foundation International Board of Chancellors
Director, Western Bulldogs Forever Foundation Ltd
Director, GoldAge Pty Ltd
Foundation Chair, St Vincent's Institute of Medical Research
Director, St Vincent's Institute of Medical Research
Member of the Advisory Group for the Australian Community Centre for Diabetes in alliance with Victoria University, Western Health and the International Diabetes Institute
International Patron of the Juvenile Diabetes Research Foundation
Director, Click Foundation (Epilepsy)
Director, Victoria University Foundation
Member of the Australia Day Committee (Victoria)
Member of Australian Institute of Company Directors
Chair of the Susan Alberti Charitable Foundation
Director, Western Health Foundation

George Pappas

Qualifications

Planning and Strategy
Bachelor of Economics (Monash University)
MBA (Harvard Business School)

Experience

Senior Advisor, The Boston Consulting Group
Chairman, Committee for Melbourne
Chairman, Defence Strategic Reform Advisory Board
Chairman, Energy Matters Pty Ltd
Chancellor, Victoria University



DIRECTORS' REPORT

Information on Directors (Continued)

Geoffrey Walsh AO

Qualifications

Experience

Government Relations

Bachelor of Arts (La Trobe University)

Special Advisor to CEO, BHP Billiton

Former National Secretary, Australian Labour Party

Former Chief of Staff to Premier Steve Bracks & Prime Minister Paul Keating

Australian Consul General Hong Kong 1995-1998

Board Member, Andrology Australia

Chair, La Trobe University Football Club Alumni Foundation

Officer of the Order of Australia (2005)

Gaye Hamilton

Qualifications

Experience

SpiritWest Services

Bachelor of Science Education (Melbourne)

Director, Queen Victoria Women's Centre Trust

Director, Seaworks Foundation (until April 2012)

Director, Zoological Parks & Gardens Board

Director, State Sports Centre Trust

Director, People & Parks Foundation

Director, Victorian University Council (from June 2012)

Barry Hall

Experience

Whitten Oval Redevelopment

Director, W J Drever Pty Ltd

Director, Australian Quality Pre-Packed Meats 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, Sundance Land Holdings Pty Ltd

Director, River Gum on the Murray Pty Ltd

Director, BRH Nominees Pty Ltd

Gary Kent

Qualifications

Experience

Finance

Bachelor of Economics

Harvard Business School Advanced Management Program

Graduate of the Institute of Company Directors

Associate of the Institute of Chartered Accountants

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 Chief Financial Officer and Financial Controller - Coles Myer (December 2005 - June 2007)

General Manager Finance - Kmart (April 2002 - December 2005)



DIRECTORS' REPORT

Information on Directors (Continued)

Christopher Grant	Football
Experience	Former player for the Western Bulldogs (1990 - 2007) Winner of two Western Bulldogs Best and Fairest Three times all Australian Honours Western Bulldogs Hall of Fame 2010 Australian Football League Hall of Fame Inductee 2012 Club Captain (2000 - 2004) Club Games record holder (2006 - 2009)
Henry Jolson QC	Legal
Qualifications	Bachelor of Law (Monash University) Bachelor of Economics (Monash University)
Experience	Queens Counsel Director, Laza Mayer Pty Ltd Director, J Kornhauser Investments Pty Ltd Director, LM Superfund Pty Ltd Director, 271 Collins Pty Ltd Judge Arbitrator International Court of Arbitration for Sport (Switzerland) Conciliator, International Council for the Settlement of Investment Disputes (Washington) Nationally Accredited Mediator and Grade 1 Arbitrator Institute of Arbitrators and Mediators Australia

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
David Smorgon OAM	10	9
Ian Veal	10	9
Dr Susan Alberti AO HonLLD	10	8
George Pappas	10	7
Geoffrey Walsh AO	10	9
Gaye Hamilton	10	7
Barry Hall	10	10
Gary Kent	8	8
Christopher Grant	8	7
Henry Jolson QC	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 group.



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

DIRECTORS' REPORT

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 declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this 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 in accordance with a resolution of the board of directors.

Director:

David Smorgon OAM

Director:

Gary Kent

Dated this 20th day of November 2012



**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 2012, 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

20 November 2012



**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2012**

	Note	2012 \$	2011 \$
Revenue			
Revenue from Operating Activities	3(a)	32,777,251	31,711,033
Revenue from Non Operating Activities	3(b)	-	741,997
	3	<u>32,777,251</u>	<u>32,453,030</u>
Less: expenses			
Administration expenses		(4,371,417)	(4,298,593)
Business Development expense		(2,195,725)	(2,624,879)
Membership Expense		(3,085,204)	(2,363,839)
Hospitality Expense		(2,479,989)	(2,882,514)
Event Expenses		(1,508,120)	(872,102)
Consumer Products Expense		(1,286,851)	(1,382,228)
SpiritWest Expense		(1,190,783)	(1,325,043)
Communication Expense		(433,621)	(563,160)
Football Department Expense		(15,748,928)	(14,678,944)
Borrowing costs	4	<u>(613,292)</u>	<u>(584,553)</u>
		<u>(32,913,930)</u>	<u>(31,575,855)</u>
Profit/(loss) for the year		(136,679)	877,175
Total comprehensive income		<u>(136,679)</u>	<u>877,175</u>

The accompanying notes form part of these financial statements.



**STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2012**

	Note	2012 \$	2011 \$
Current assets			
Cash and cash equivalents	6	1,605,858	1,236,747
Receivables	7	955,720	1,483,100
Inventories	8	514,181	506,362
Other assets	9	<u>463,857</u>	<u>444,938</u>
Total current assets		<u>3,539,616</u>	<u>3,671,147</u>
Non-current assets			
Intangible assets	10	5,539,177	850,334
Property, plant and equipment	11	<u>32,288,341</u>	<u>33,149,599</u>
Total non-current assets		<u>37,827,518</u>	<u>33,999,933</u>
Total assets		<u>41,367,134</u>	<u>37,671,080</u>
Current liabilities			
Payables	12	7,071,007	7,447,462
Borrowings	13	3,794,601	5,850,000
Provisions	14	409,512	497,530
Income received in advance	15	<u>471,136</u>	<u>36,775</u>
Total current liabilities		<u>11,746,256</u>	<u>13,831,767</u>
Non-current liabilities			
Payables	12	4,558,096	416,290
Borrowings	13	1,688,426	-
Provisions	14	<u>146,842</u>	<u>58,830</u>
Total non-current liabilities		<u>6,393,364</u>	<u>475,120</u>
Total liabilities		<u>18,139,620</u>	<u>14,306,887</u>
Net assets		<u>23,227,514</u>	<u>23,364,193</u>
Equity			
Retained earnings	16	<u>23,227,514</u>	<u>23,364,193</u>
Total equity		<u>23,227,514</u>	<u>23,364,193</u>

The accompanying notes form part of these financial statements.



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2012**

	Retained earnings \$	Total equity \$
Balance as at 1 November 2010	22,487,018	22,487,018
Profit for the year	<u>877,175</u>	<u>877,175</u>
Total comprehensive income for the year	<u>877,175</u>	<u>877,175</u>
Balance as at 31 October 2011	<u>23,364,193</u>	<u>23,364,193</u>
Balance as at 1 November 2011	23,364,193	23,364,193
Loss for the year	<u>(136,679)</u>	<u>(136,679)</u>
Total comprehensive income for the year	<u>(136,679)</u>	<u>(136,679)</u>
Balance as at 31 October 2012	<u>23,227,514</u>	<u>23,227,514</u>

The accompanying notes form part of these financial statements.



**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2012**

	Note	2012 \$	2011 \$
Cash flow from operating activities			
Receipts from customers and the Australian Football League		35,751,930	34,194,466
Whitten Oval redevelopment grants received		-	744,561
Payments to suppliers and employees		(33,584,796)	(32,596,993)
Interest paid		(613,292)	(426,613)
Interest received		<u>44,940</u>	<u>63,096</u>
Net cash provided by operating activities		<u>1,598,782</u>	<u>1,978,517</u>
Cash flow from investing activities			
Payment for gaming entitlements		(242,067)	(33,921)
Proceeds from sale of plant and equipment		400	37,213
Payment for property, plant and equipment		(361,268)	(4,413,232)
Payment for intangible assets		<u>-</u>	<u>(450,000)</u>
Net cash provided used in investing activities		<u>(602,935)</u>	<u>(4,859,940)</u>
Cash flow from financing activities			
Repayment of other loan		(32,736)	-
Repayment of commercial bill		(594,000)	(750,000)
Proceeds from drawdown of borrowings		<u>-</u>	<u>1,500,000</u>
Net cash provided by / (used in) financing activities		<u>(626,736)</u>	<u>750,000</u>
Reconciliation of cash			
Cash at beginning of the financial year		1,236,747	3,368,170
Net increase / (decrease) in cash held		<u>369,111</u>	<u>(2,131,423)</u>
Cash at end of financial year		<u>1,605,858</u>	<u>1,236,747</u>

The accompanying notes form part of these financial statements.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2012

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 2012, the Western Bulldogs has a current asset deficiency of \$8,206,640 (2011: \$10,160,620). 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 \$2.95 million from the New Club Future Fund which is predominately tagged to specific initiatives. This is to be paid during the 2013 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 fund its 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2012

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*.

(e) Inventories

Inventories 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 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). 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 and loans from third parties.

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.

(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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment (Continued)

Depreciation

The depreciable amount of all fixed assets are 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.

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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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, accumulated sick 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 and accumulated sick 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control. Any deferred consideration payable is discounted to present value using the company's incremental borrowing rate.

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.

If the fair value of the acquirer's interest is greater than 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), the surplus is immediately recognised in the statement of comprehensive income.

Acquisition related costs are expensed as incurred.

(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 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.

(o) Comparatives

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

(p) Club Future Fund Distributions

The AFL has committed to supporting the company in the 2013 financial year with a payment of \$2.95 million from the Club Future Fund (2012: \$2.87million).



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2012

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.

NOTE 3: REVENUE

(a) Revenue from operating activities

AFL sourced income	7,456,872	6,882,000
AFL - Club Future Fund	2,870,000	1,700,000
Gate receipts/match returns	1,374,525	1,352,808
Communications	649,324	751,851
Business Development	6,774,959	6,307,512
Membership	5,027,548	5,359,902
Hospitality	3,171,177	3,770,594
Events and fundraising	2,304,354	1,873,838
Consumer products	1,268,765	1,392,135
SpiritWest services	1,470,979	1,469,459
Other income	<u>408,748</u>	<u>850,934</u>
	<u>32,777,251</u>	<u>31,711,033</u>

(b) Revenue from non operating activities

Whitten Oval redevelopment grants	-	741,997
Total revenue	<u>32,777,251</u>	<u>32,453,030</u>

NOTE 4: OPERATING PROFIT

Profit/(loss) for the year has been determined after:

Depreciation	1,221,874	1,133,222
Amortisation	52,492	3,841
Impairment losses - trade and other receivables	11,195	(33,829)
Gain on disposal of non current assets	(121)	(31,606)
Interest expense	613,234	584,553
Rental expense on operating leases	366,894	481,962

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the company	<u>1,201,469</u>	<u>1,409,648</u>
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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

	2012	2011
	\$	\$
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand	92,324	101,332
Cash at bank	<u>1,513,534</u>	<u>1,135,415</u>
	<u>1,605,858</u>	<u>1,236,747</u>

NOTE 7: RECEIVABLES

CURRENT		
Trade debtors	966,794	1,187,707
Impairment loss	<u>(14,601)</u>	<u>(12,211)</u>
	952,193	1,175,496
Other receivables	<u>3,527</u>	<u>307,604</u>
	<u>955,720</u>	<u>1,483,100</u>

Impairment of trade receivables

Trade receivables are non interest bearing with 30 day 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:

Opening balance at 1 November	12,211	46,040
Charge/(reversal) for the year	11,195	(33,829)
Amounts written off	<u>(8,805)</u>	<u>-</u>
Closing balance at 31 October	<u>14,601</u>	<u>12,211</u>

NOTE 8: INVENTORIES

CURRENT		
<i>At cost</i>		
Bulldogs Shop Merchandise	490,858	479,954
Food and liquor	<u>23,323</u>	<u>26,408</u>
	<u>514,181</u>	<u>506,362</u>



**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

	2012	2011
	\$	\$
NOTE 9: OTHER ASSETS		
CURRENT		
Prepayments	380,176	379,109
Unexpired Contra Services	<u>83,681</u>	<u>65,829</u>
	<u>463,857</u>	<u>444,938</u>

NOTE 10: INTANGIBLE ASSETS

Goodwill at cost	735,493	593,794
Provision for impairment loss	<u>(20,571)</u>	<u>(20,571)</u>
	714,922	573,223
Gaming Entitlements	4,841,330	242,067
Accumulated amortisation and impairment	<u>(48,849)</u>	<u>-</u>
	4,792,481	242,067
Lease acquisition costs	80,000	80,000
Accumulated amortisation	<u>(48,226)</u>	<u>(44,956)</u>
	<u>31,774</u>	<u>35,044</u>
Total intangible assets	<u>5,539,177</u>	<u>850,334</u>

(a) Reconciliations

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

<i>Goodwill at cost</i>		
Opening balance	573,223	123,223
Additions	<u>141,699</u>	<u>450,000</u>
Closing balance	<u>714,922</u>	<u>573,223</u>
<i>Gaming Entitlements</i>		
Opening balance	242,067	208,146
Additions	4,599,263	33,921
Amortisation expense	<u>(48,849)</u>	<u>-</u>
Closing balance	<u>4,792,481</u>	<u>242,067</u>
<i>Lease acquisition costs</i>		
Opening balance	35,044	38,229
Amortisation expense	<u>(3,270)</u>	<u>(3,185)</u>
Closing balance	<u>31,774</u>	<u>35,044</u>



**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

2012 **2011**
\$ **\$**

NOTE 10: INTANGIBLE ASSETS (CONTINUED)

(a) Reconciliations (Continued)

An additional amount of \$141,699 in goodwill has been recorded at 31 October 2012 in relation to the company's acquisition of the Peninsula Club (formerly the Dromana-Red Hill RSL) from RSL Victoria. This has arisen due to a change in circumstances in 2012 which has resulted in the company no longer being entitled to an original deduction provided in the purchase price of the business.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Land and buildings

At cost	542,695	542,695
Accumulated depreciation	<u>(25,462)</u>	<u>(11,895)</u>
	<u>517,233</u>	<u>530,800</u>

Whitten Oval and leasehold improvements

At cost	32,876,548	32,871,266
Accumulated depreciation	<u>(2,858,938)</u>	<u>(2,050,062)</u>
	<u>30,017,610</u>	<u>30,821,204</u>

Plant and equipment

Plant and equipment at cost	3,020,667	2,698,485
Accumulated depreciation	<u>(1,598,413)</u>	<u>(1,204,747)</u>
	1,422,254	1,493,738
Leased plant and equipment at cost	95,649	95,649
Accumulated depreciation	<u>(95,649)</u>	<u>(90,692)</u>
	-	4,957

Leasehold capitalised costs	338,111	305,394
Accumulated amortisation	<u>(6,867)</u>	<u>(6,494)</u>
	<u>331,244</u>	<u>298,900</u>
Total plant and equipment	<u>1,753,498</u>	<u>1,797,595</u>
Total property, plant and equipment	<u>32,288,341</u>	<u>33,149,599</u>



**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

	2012 \$	2011 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Land and buildings</i>		
Opening carrying amount	530,800	-
Additions	-	542,695
Depreciation expense	<u>(13,567)</u>	<u>(11,895)</u>
Closing carrying amount	<u>517,233</u>	<u>530,800</u>
<i>Whitten Oval and leasehold improvements</i>		
Opening carrying amount	30,821,204	28,694,896
Additions	5,282	2,863,344
Depreciation expense	(808,876)	(846,339)
Transfers from Whitten Oval Redevelopment costs	<u>-</u>	<u>109,303</u>
Closing carrying amount	<u>30,017,610</u>	<u>30,821,204</u>
<i>Plant and equipment</i>		
Opening carrying amount	1,493,738	928,375
Additions	323,269	871,577
Disposals	(279)	(39,721)
Depreciation expense	<u>(394,474)</u>	<u>(266,493)</u>
Closing carrying amount	<u>1,422,254</u>	<u>1,493,738</u>
<i>Leased plant and equipment</i>		
Opening carrying amount	4,957	13,452
Depreciation expense	<u>(4,957)</u>	<u>(8,495)</u>
Closing carrying amount	<u>-</u>	<u>4,957</u>
<i>Whitten Oval Redevelopment costs</i>		
Opening carrying amount	-	109,303
Transfers to Leasehold Improvements	<u>-</u>	<u>(109,303)</u>
Closing carrying amount	<u>-</u>	<u>-</u>
<i>Capitalised leasehold costs</i>		
Opening carrying amount	298,900	163,940
Additions	32,717	135,616
Depreciation expense	<u>(373)</u>	<u>(656)</u>
Closing carrying amount	<u>331,244</u>	<u>298,900</u>



**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

	2012 \$	2011 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations (Continued)		
<i>Total property, plant and equipment</i>		
Carrying amount at 1 November	33,149,599	29,909,966
Additions	361,268	4,413,232
Disposals	(279)	(39,721)
Depreciation expense	<u>(1,222,247)</u>	<u>(1,133,878)</u>
Carrying amount at 31 October	<u>32,288,341</u>	<u>33,149,599</u>
NOTE 12: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	5,278,147	6,853,259
Sundry creditors and accrued expenses	824,593	594,203
Payable for gaming machine entitlements	<u>968,267</u>	<u>-</u>
	<u>7,071,007</u>	<u>7,447,462</u>
NON CURRENT		
<i>Unsecured liabilities</i>		
Other payables	1,169,166	416,290
Payable for gaming machine entitlements	<u>3,388,930</u>	<u>-</u>
	<u>4,558,096</u>	<u>416,290</u>
NOTE 13: BORROWINGS		
CURRENT		
<i>Secured liabilities</i>		
Commercial bill	3,656,000	4,250,000
Other loan	<u>138,601</u>	<u>1,600,000</u>
	<u>3,794,601</u>	<u>5,850,000</u>
NON CURRENT		
<i>Secured liabilities</i>		
Other loan	<u>1,688,426</u>	<u>-</u>



**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

	2012	2011
	\$	\$

NOTE 13: BORROWINGS (CONTINUED)

(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.

NOTE 14: PROVISIONS

CURRENT

Employee benefits	(a) <u>409,512</u>	<u>497,530</u>
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NON CURRENT

Employee benefits	(a) <u>146,842</u>	<u>58,830</u>
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(a) Aggregate employee benefits liability	556,354	556,360
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NOTE 15: OTHER LIABILITIES

CURRENT

Income in Advance	<u>471,136</u>	<u>36,775</u>
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NOTE 16: RETAINED EARNINGS

Retained earnings at beginning of year	23,364,193	22,487,018
Net profit/(loss)	<u>(136,679)</u>	<u>877,175</u>
	<u>23,227,514</u>	<u>23,364,193</u>



**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

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, and entity for which Dr Susan Alberti HonLLD 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.

One 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 an arm's length basis.

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

(a) Loans and other transactions with key management personnel

	2012	2011
	\$	\$
Corporate Sponsorship	<u>159,500</u>	<u>148,500</u>

The above transactions are in relation to Dr Susan Alberti Hon AO LLD as Director of GoldAge Pty Ltd which in the current year provided sponsorship to the company (2011: Sponsorship and donation receipts for the Whitten Oval Redevelopment from the Western Bulldogs Forever Foundation, an entity in which Dr Susan Alberti AO Hon LLD is a director).

(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.



**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

	2012	2011
	\$	\$

NOTE 18: CONTINGENT LIABILITIES

(a) Non-cancellable operating lease commitments contracted for but not capitalised in the financial statements

Not later than one year	289,442	259,545
Later than one year but not later than five years	533,186	447,445
Later than five years	<u>929,243</u>	<u>1,004,635</u>
	<u>1,751,871</u>	<u>1,711,625</u>

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 Entitlements

Not later than one year	-	852,640
Later than one year but not later than five years	-	3,330,336
Later than five years	<u>-</u>	<u>416,287</u>
	<u>-</u>	<u>4,599,263</u>

As at 31 October 2012 these entitlements have been capitalised.

(c) Gaming Machine Commitments

Not later than one year	341,573	341,573
Later than one year but not later than five years	5,969,300	5,904,985
Later than five years	<u>9,943,360</u>	<u>9,648,639</u>
	<u>16,254,233</u>	<u>15,895,197</u>

(d) Player Payments

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

(e) 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 2012 in the event of termination are \$5,263,511 for the premises contribution and \$1,400,000 for the fit-out contribution.



**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

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 \$2.95 million from the New Club Future Fund which is predominantly tagged to specific initiatives. This is to be paid during the 2013 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.



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

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 13 - 32, are in accordance with the *Corporations Act 2001*:
 - (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 2012 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:

David Smorgon OAM

Director:

Gary Kent

Dated this 20th day of November 2012



**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**

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 2012, 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*.



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 2012 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

20 November 2012

PITCHER PARTNERS

Melbourne



#6 Luke Dalhousie



WESTERN BULLDOGS
2012 FINANCIAL REPORT