



**CONCISE  
FINANCIAL  
REPORT  
2009**

GEELONG FOOTBALL CLUB LIMITED  
(ACN 005 150 818)



## THE DIRECTORS' REPORT

The Directors present their report together with the financial report of the Geelong Football Club Limited ("the Club") for the year ended 31 October 2009, and the auditor's report thereon.

### IMPORTANT INFORMATION ABOUT THIS CONCISE REPORT

This report is a concise financial report that has been extracted from the financial report of the Geelong Football Club for the financial year ended 31 October 2009.

The financial statements and specific disclosures included in the concise financial report have been derived from the financial report.

This concise report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Geelong Football Club as the financial report.

Further financial information can be obtained from the financial report. Members wishing to receive the financial report, may do so, free of charge, by contacting the Geelong Football Club administration on +61 3 5225 2300.

## 1. DIRECTORS

The Directors of the Club at the end of the financial year were:

### FRANCIS ALOYSIUS COSTA OAM

*LLD (Hon Doctorate of Laws Deakin)*

- Geelong Football Club Limited Director for thirteen years.
- President of Geelong Football Club Limited for eleven years.
- Chairman of Geelong Football Club Limited Remuneration Board Committee.

#### EXPERIENCE

Frank is Executive Chairman of the family-owned Costa Group of companies. The Costa Group turns over in excess of \$1 billion annually, employs 9,000 people and is now the largest privately owned grower, packager, marketer, distributor and exporter of fresh fruit, vegetables and grains in the Southern Hemisphere.

In 2002, Costa Group was awarded the Australian Family Business “Third generation – Business of the Year”. In 2006, Costa Group received the Australian Agribusiness Leader of the Year Award and also the Australian Agribusiness Employer of Choice award.

Frank has held an extraordinary number of roles in the community throughout his career. In 1997, Frank was honoured with an Order of Australia Medal for his services to youth and the community. In 2003, Frank was awarded the Centenary Medal by the Governor-General for contributions to Australian society. Also in 2003, Deakin University awarded Frank the degree Doctor of Laws (honoris causa).

In 2001, Frank was awarded the Australian Sports Medal award, in recognition of his services to Australian Rules Football.

Frank is a life member of the Geelong Football Club.

### GARETH ELIOT TREMAYNE ANDREWS

*Bachelor of Commerce A.R.E.I.*

- Geelong Football Club Limited Director for eleven years.
- Vice-President of Geelong Football Club Limited for eleven years.
- Member of Geelong Football Club Limited Remuneration Board Committee.

#### EXPERIENCE

Gareth is Managing Director of Andrews Corporation (Vic) Pty Ltd, a Company involved in many aspects of the property industry and specialising in residential sales and leasing of apartments.

2009 was Gareth’s 44th year of involvement in VFL (AFL) football. Gareth played 136 games with Geelong in a nine year career commencing in 1965. In 1974 he transferred to Richmond, playing a further 31 games, including the 1974 Premiership. Gareth was a joint-founder of the VFL/AFL Players Association and is a former President and a Life Member of the AFLPA. For many years, Gareth was a part-time commentator on ABC Radio and television as well as being an authoritative football writer for The Sunday Age.

Gareth is a life member of the Geelong Football Club.

### DOUGLAS GRAEME WADE

- Geelong Football Club Limited Director for eleven years.

#### EXPERIENCE

Doug is Managing Director of Lifestyle Fitness Pty Ltd, a Company employing over 200 people in seven health clubs and registered training organisations over five campuses. Doug is also a Director of Australian Institute of Fitness (Vic & Tas) Pty Ltd.

Doug is one of the all-time greats of VFL (AFL) football. Doug played 208 games for the Club, kicked 834 goals and was a member of the 1963 Premiership team. He then played 59 games for North Melbourne kicking 223 goals and playing in their 1975 Premiership team. Doug represented Victoria seven times in his career and is fourth on the all-time VFL (AFL) goal kicking tally with 1,057 goals.

Doug is a life member of the Geelong Football Club, a life member of the AFL and life member of the North Melbourne Football Club.

### NICHOLAS LIVINGSTONE CARR

*Bachelor of Economics, LLB, MBA*

- Geelong Football Club Limited Director for five years.
- Member of Geelong Football Club Limited Corporate Governance Board Committee.

#### EXPERIENCE

Nicholas has been involved in managing and developing professional service businesses for over 20 years.

Currently, Nicholas is Group Managing Director of Landlink Property Group Pty Ltd, a property valuation and advisory services company with offices throughout Victoria. Prior to Landlink, Nicholas was Managing Director of law firm Harwood Andrews.

Nicholas is Chair of Opteon Property Group, and a Director of Banksia Securities Ltd, Banksia Mortgages Ltd and Cherry Fund Ltd.

Nicholas has over many years been involved in a number of community organisations, including as Deputy Chair of the Committee for Geelong.

### ALISTAIR NEIL HAMBLIN

*Bachelor of Commerce, CPA, MAICD*

- Geelong Football Club Limited Director for five years.
- Chairman of Geelong Football Club Limited Finance and Audit Board Committee.

#### EXPERIENCE

Alistair is a Senior Consultant to the integrated financial services practice of Morrows in Southbank. Previously, Alistair founded the Commercial Advisory Group and became a Principal in WHK Horwath following its acquisition of CAG. In his consultancy role, business services, tax and corporate advisory are provided to a diverse client base with a specialisation in sport and media/entertainment.

Alistair has over a number of years been directly involved in a number of clubs and community organisations engaged in facilitating sport and fundraising.

### ROBERT JOHN GARTLAND

*Cert. IV Business (Estate Agency Practice), CEA (REIV)*

- Geelong Football Club Limited Director for three years.

#### EXPERIENCE

Robert (Bob) is the Director and Principal of Gartland Real Estate Pty Ltd, and specialises in consulting to clients on commercial and residential property development and investment. Bob has 27 years experience in the real estate industry. Bob’s company currently manages a portfolio for clients, with a value in the range of \$280 million.

Bob has been involved in numerous community and business organisations in the Geelong region, and is a Trustee of the Geelong Cats Sports Foundation and a member of the History & Tradition Committee of the Geelong Cats.

### CAMPBELL WILLIAM NEAL

*Bachelor of Science*

*LLB, Barrister and Solicitor of the Supreme Court of Victoria*

- Geelong Football Club Limited Director for three years.
- Member of Geelong Football Club Limited Finance and Audit Board Committee.

#### EXPERIENCE

Campbell is Managing Director and Founder of K2 Asset Management Ltd, an Australian-based fund manager. K2 Asset Management is publicly listed and employs 24 people. Campbell’s previous role was Executive Vice President Bankers Trust Australia, where he worked for 10 years.

### COLIN BRUCE CARTER

*Bachelor of Commerce, MBA*

- Geelong Football Club Limited Director for two years.
- Chairman of Geelong Football Club Limited Corporate Governance Board Committee.

#### EXPERIENCE

Colin joined the Board of Directors in July 2008 after previously serving from 1987 until 1993. Colin stepped down in 1993 as a result of being appointed to the AFL Commission, a role he held until early 2008. Colin is a senior adviser to the Boston Consulting Group and is a Director of Wesfarmers, SEEK, World Vision, Indigenous Enterprise Partnerships and the Cape York Institute. He is also Chairman of the AFL Foundation.

## 2. CHIEF EXECUTIVE OFFICER

### BRIAN CARLYLE COOK

*Master of Education*

- Geelong Football Club Limited - Chief Executive Officer

#### EXPERIENCE

One of Australia’s most respected sporting administrators, Brian took up the post in March 1999.

During his tenure, Brian has overhauled the Club’s operations, overseen a dramatic transformation in the Club’s finances and a redevelopment of Skilled Stadium while leading the Club to two AFL premierships.

Relevant honours to Brian have been the awarding of AFL life membership, Geelong Football Club life membership, the Eunice Gill Award for services to coaching at a National level, Australian Sports Medal & Australian Sports Executive of 2007.

Brian is a member of the AFL Research Board, Director of Tourism Victoria & he is a Trustee of the Geelong Cats Sports Foundation.

## 3. COMPANY SECRETARY

### ROBERT MICHAEL THRELFALL

*Bachelor of Commerce*

- Geelong Football Club Limited – General Manager Finance and Administration.

#### EXPERIENCE

Robert has held senior finance and administration management roles for over 14 years.

Robert joined the Club in 2000 and is responsible for managing the Club’s financial and administrative functions, in addition to providing leadership and strategic direction to achieve optimal off-field performance.

Prior to joining the Club, Robert spent eight years working with Newcrest Mining Ltd, an Australian publicly listed gold mining company. During this time, Robert spent over four years managing the finance and corporate affairs of the Company’s interests in Asia.

## 4. PRINCIPAL ACTIVITIES

There has been no change in the principal activities of the Club during the year.

The principal activities of the Club are the playing and promotion of the game of Australian Rules Football and the operation of related facilities. The Club is a member of the Australian Football League.

## 5. OPERATING RESULTS AND REVIEW OF OPERATIONS

Profit from operations of the Club for the year ended 31 October 2009 was \$651,794. After asset write-offs totalling \$1,000, the net profit of the Club for the year was \$650,794. (2008 - profit from operations was \$1,216,344, net profit was \$52,587 after asset write-offs primarily associated with the demolition of the Ross Drew Stand totalling \$1,163,759).

An outstanding 150th season of the Geelong Football Club culminated in winning the AFL Premiership. This resulted in a strong financial performance by the Club, particularly in view of the reduced capacity at Skilled Stadium given the construction of the Premiership Stand and significant increases in expenditure especially football related costs. Profit from operations exceeded original budget expectations by \$386,000. Membership totalled 37,329, an all-time record for the Club. Merchandise sales were very strong throughout the year, and increased significantly along with memorabilia sales with winning the Premiership. Corporate sponsorship, reserved seating and crowd levels at home games were in line with expectations. Prizemoney received for winning the Premiership was partially offset by costs associated with finals events, player payments and other football related payments.

The year was also one of investment by the Club for the long term. During the year the Club opened its new entertainment facility called The Brook on Sneydes in Point Cook, and as expected the venue traded at a loss in its initial months. Net effect on the Club's profit for year was \$229,926. The Club also invested \$171,171 in feasibility studies into the proposed phase three of the Skilled Stadium redevelopment and an exclusive training facility in or around Geelong. These amounts are taken into account in arriving at the profit from operations for the year of \$651,794.

## 6. STATE OF AFFAIRS

The net profit in 2009 has seen the Club's net assets grow to a total value of \$8,645,003.

The Club continuously reviews the objectives and strategies within its "Good to Great" business plan to ensure the Club has the strategic framework in place to meet the challenges and be successful in the long term. A summary of the Club's "Good to Great" business plan is available on the Club's website.

The Club is confident of continuing to be successful on the field in the years to come. This will ensure revenues in most areas of the Club remain strong. Construction of The Premiership Stand

at Skilled Stadium will be complete for the 2010 AFL premiership season and will provide the opportunity for substantial growth in a number of revenue streams in that year and beyond whilst simultaneously providing enhanced customer service levels for members. This will allow the Club to improve on its strong financial performance over recent years and consolidate its financial position for the challenging years ahead.

## 7. EVENTS SUBSEQUENT TO BALANCE DATE

The Victorian Government has introduced new arrangements for venue gaming which will commence in 2012. The new arrangements will allow venue operators to acquire and operate their own gaming machines in approved venues. The Club was offered a maximum of 40 gaming machine entitlements at each of its two venues in accordance with the Allocation and Transfer Rules for the Club Offer which were published in the Victorian Government Gazette on 17 August 2009. On 12 November 2009, the Club accepted the pre-auction Club Offer of 40 gaming machine entitlements at both of its venues, being Club Cats and The Brook on Sneydes.

## 8. LIKELY DEVELOPMENTS

As mentioned above in note 6 construction of The Premiership Stand at Skilled Stadium will be complete for the 2010 AFL premiership season.

## 9. ENVIRONMENTAL REGULATION

The Directors believe that the operations of the Club are not subject to any particular or significant environmental regulation.

## 10. AUDITORS INDEPENDENCE DECLARATION

The Directors have received the Independence Declaration from the auditor of the Club. The Independence Declaration is set out on page 8 and forms part of the Directors' report for the year ended 31 October 2009.

### NON-AUDIT SERVICES

Following are the non-audit services that were provided by the Club's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amount for the provision of non-audit services:

Major raffle audit, AGM attendance, taxation and technical advice: \$6,133.

## 11. DIRECTORS' MEETINGS

The number of Directors' and Board committee meetings held in the period that each Director held office during the year ended 31 October 2009 and the number of meetings attended by each Director were:

DIRECTOR	DIRECTORS' MEETINGS		CORPORATE GOVERNANCE COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS		FINANCE AND AUDIT COMMITTEE MEETINGS	
	# HELD	# ATTENDED	# HELD	# ATTENDED	# HELD	# ATTENDED	# HELD	# ATTENDED
Francis Aloysius Costa OAM		9-9		1-1		2-2		
Gareth Eliot Tremayne Andrews		9-9				2-2		
Douglas Graeme Wade		9-6						
Nicholas Livingstone Carr		9-8		3-3				
Alistair Neil Hamblin		9-8						4-4
Robert John Gartland		9-8						
Campbell William Neal		9-7						4-1
Colin Bruce Carter		9-8		2-2				

## 12. INDEMNIFICATION AND INSURANCE OF OFFICERS

During the year the Club paid insurance premiums totalling \$8,910 in respect of Directors' and Officers' liability insurance. The policies do not specify the premium for individual Directors and Officers. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against Directors and Officers in their capacity as Directors and Officers of the Club.

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

SIGNED IN ACCORDANCE WITH A RESOLUTION OF DIRECTORS AT GEELONG THIS 20TH DAY OF NOVEMBER 2009.



**FRANCIS ALOYSIUS COSTA OAM**  
Director and President



**ALISTAIR NEIL HAMBLIN**  
Director



Ernst & Young Building  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001  
Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
www.ey.com/au

### Auditor's Independence Declaration to the Directors of the Geelong Football Club Limited

In relation to our audit of the financial report of Geelong Football Club Limited for the year ended 31 October 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

*Ernst & Young*

Ernst & Young

A handwritten signature in black ink, appearing to read 'Rob Perry'.

Robert Perry  
Partner  
20 November 2009

Liability limited by a scheme approved  
under Professional Standards Legislation



# CORPORATE GOVERNANCE STATEMENT

## POLICY

The Board of Directors (“the Board”) recognise the importance and value of good corporate governance, which establishes a framework of clear objectives, responsibilities and accountability for the Board and management and provides policies and procedures for the Board and management to carry out their duties within.

The Board has determined to apply the “Essential Corporate Governance Principles” (“Principles”) as summarised by the Australian Stock Exchange Corporate Governance Council (ASX CGC), to the fullest extent possible and practical, given the nature of the business of the Club.

The Board believes the foundation of an effective corporate governance model is a corporate structure that includes:

- The owners of the business in the form of members, appoint a number of Directors to form the Board.
- The Board oversee their interests in the business and who in turn retains a Chief Executive Officer (CEO).
- The CEO develops business strategies, employs resources, builds and operates processes, generates profits and increases the value for the shareholders.

## THE ROLE OF THE BOARD

The Board is committed to act in the best interest of the Club at all times to ensure it is properly managed and governed.

The Board’s key responsibilities are to:

- Act in the interests of the Club as a whole.
- Observe their duties as Directors in terms of corporations law, common law, the Club Constitution and other relevant legislation.
- Provide strategic direction for the Club and effective oversight of the Chief Executive Officer.

The Board’s key functions include:

- Ensuring a diverse and effective Board, in line with the Club Constitution.
- Appointing, supporting and providing advice and counsel to, evaluating and rewarding the Chief Executive Officer, taking an active role in overseeing the growth of the Executive leadership talent pool.
- Appointing, evaluating and rewarding the senior coach
- Through constructive engagement with senior management and key stakeholders, review, add-value to, approve and monitor the Club’s purpose, core values, ethical framework, strategic direction and objectives.
- Reviewing, approving and monitoring the implementation of the corporate plan, linked to the strategic objectives, ensuring appropriate resources are available.
- Supporting, reviewing and monitoring the operational and financial performance of the Club.

- Monitoring key financial and non-financial risk areas by ensuring the implementation of an effective risk management and internal control framework.
- Consider and agree on committee and management recommendations on key issues.
- The power to make, add to, alter or rescind any Club rules, regulations and by-laws as it thinks fit.
- Evaluating Board processes and performance of the Board as a whole, as well as contributions by individual Directors, ensuring the Board’s effectiveness in delivering good governance.
- Transparent reporting and communications to the stakeholders on the Board’s governance, stewardship and financial performance.
- Ensure that there are strong working relationships with the governing body (the AFL).

## BOARD COMPOSITION AND TENURE

The composition and tenure of the Board is governed by the Club’s Constitution. The minimum number of Directors is seven and the maximum is nine. The CEO cannot be a Director. A full Board election is conducted every three years.

## BOARD COMMITTEES

The Board has established three committees to assist it in the discharge of the Board’s role and responsibilities. The committees focus on specific responsibilities in greater detail than is possible for the Board as a whole.

Each formally constituted committee has a written charter, approved by the Board. The Directors who are members of these committees are outlined in the Directors report.

The committees and their key roles are:

### CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance committee assists the Board with its responsibilities by monitoring implementation of corporate governance principles and reporting to the Board in respect to compliance, non-compliance and recommendations for improvement.

The key responsibilities of the Corporate Governance committee are:

- Board structure, effectiveness and succession.
- Board operations and governance, and relations with management.
- Director performance.
- Constitution currency and compliance.
- Risk management.

### FINANCE AND AUDIT COMMITTEE

The Finance and Audit committee assists the Board with its responsibilities by governing the operations of the Club’s finance and audit functions.

The key responsibilities of the Finance and Audit committee are:

- Financial reporting.
- Longer term financial strategies.
- Accounting, financial and internal controls.
- Appointment and independence of external auditors and scope of external audit.
- IT plans and strategies.

### REMUNERATION COMMITTEE

The Remuneration committee assists the Board with its responsibilities by governing the Club’s remuneration function.

The key responsibilities of the Remuneration committee are:

- Remuneration of all employees.
- Total player payments compliance.
- Succession planning.

### RELATIONSHIP WITH MANAGEMENT

The CEO is responsible for the overall day-to-day management and the performance of the Club. The CEO manages the Club in accordance with strategy, delegations, business plans and policies approved by the Board to achieve agreed goals and objectives included therein.

The Board is responsible for reviewing and ensuring that all necessary and appropriate delegations are in place to enable the CEO to meet this responsibility.

To assist in the execution of its responsibilities, the CEO and Executive management have established a number of management-driven committees which meet on an as needed basis.

### BOARD CODE OF CONDUCT

The Board takes ethical and responsible decision making very seriously. Directors are required to act in accordance with the Club’s Board code of conduct at all times.

The code of conduct deals with:

- Compliance with laws, regulations, duties and the code.
- Giving or receiving gifts.
- Protection of the Club’s assets.
- Proper accounting and dealing with auditors.
- Unauthorised public statements.
- Conflict of interest and use of inside information, confidential information and confidential documents.

### COMMUNICATION WITH MEMBERS

The Board aims to ensure that members are informed of all major developments affecting the Club. Information is communicated to members as follows:

- The annual report and the concise financial report are distributed to all members.
- A yearbook is distributed to all members, looking ahead to the upcoming season.
- Regular emails are broadcast to those members who have provided their email addresses to the Club.
- Club information is provided from time to time in various newspapers, and on telephone recorded and on-hold messages.
- The Club website [www.geelongcats.com.au](http://www.geelongcats.com.au) is regularly updated.
- The Board and Executive management are always available to speak to members.

### CORPORATE SOCIAL RESPONSIBILITY POLICY

Our Club’s values are the strong beliefs and consistent behaviours of people in our organisation. They describe the way in which directors, staff and players of the Club behave, interact & work together and

determine the culture of the Club. Our values are held in high regard and protected by every member on the on-field and off-field team.

#### OUR VALUES ARE:

- Respect for our Club, partners, communities and each other
- Precision in every action and activity
- Adventurous in mind and spirit
- Conviction in our purpose and potential
- Unity through inclusion
- Commercial but considered

While a clear link exists between all of our values and corporate social responsibility, the key link between the two is the Club’s value of respect – Respect for our Club, partners, communities and each other.

Corporate social responsibility means “doing the right thing by our stakeholders and the environment”. CSR is essentially the deliberate inclusion of public interest into corporate decision-making.

The Geelong Football Club embraces responsibility for the impact of our activities on our employees, the marketplace, our communities and our environment. This policy summary sets out our key priorities in relation to our corporate social responsibility.

#### IN OUR OWN WORKPLACE

Our people are the key to the success of our business. We need to positively involve our people in the process to ensure they continue to believe that the Club is a great place to work, and they are proud of our achievements.

We aim to be a place where people want to work because they see us as being honest, trustworthy, fair, socially responsible, environmentally responsible, progressive, technologically advanced, technically proficient, professional, profitable and sustainable.

#### IN THE MARKET PLACE WITHIN WHICH WE OPERATE

We need to positively interact with our sponsors, members, strategic partners and our suppliers.

We aim to be recognised by our peers and by our stakeholders as a leading, professional and responsible Club that is committed to the industry and its continuous improvement.

#### IN THE COMMUNITIES WITHIN WHICH WE OPERATE

We have a responsibility to be active participants in our communities.

Our community is where our Club operates, where our stakeholders and their families work, live and play. Our Club has a responsibility to ensure that we help to support our community and make it a safe and enjoyable place.

#### IN THE ENVIRONMENT IN WHICH WE OPERATE

We need to be aware of the environmental impact of our “footprint” and to endeavour to minimise any negative impacts.

We recognise that now, more than ever, the footprint we impose on the environment needs to be properly managed. The environment is extremely delicate and sensitive and everything we can do to minimize the impact our business has on the environment will help to sustain and protect the environment.

We strive to integrate sound environmental values, principles and practices in all our operations. By engaging with our key stakeholders and raising their awareness of environmental issues we will continue to seek ways to improve our contribution to protecting the environment.

## INCOME STATEMENT

FOR YEAR ENDING 31 OCTOBER 2009

	NOTE	2009 \$	2008 \$
<b>INCOME</b>			
Revenue	3	40,899,541	35,740,307
		40,899,541	35,740,307
Marketing and related costs		(8,974,090)	(8,070,994)
Football department costs		(17,218,885)	(14,871,664)
Administration, stadium and redevelopment costs		(5,325,727)	(4,849,529)
Cost of sales		(8,634,924)	(6,571,734)
Finance costs		(94,120)	(160,040)
Assets written-off		(1,000)	(1,163,759)
<b>Net profit attributable to members of Geelong Football Club Limited</b>		650,794	52,587

## DISCUSSION AND ANALYSIS – INCOME STATEMENT

### TRENDS IN REVENUES AND EXPENDITURES

#### REVENUES

Revenues increased from \$35.74m in 2008 to \$40.90m in 2009, an increase of \$5.16m or 14% (see note 3 for further details). The major areas contributing to this result were:

- An overall increase in membership, reserved seating and gate receipts revenue of \$0.79m or 9% over 2008 to a total of \$9.41m, due primarily to:
  - An increase in membership to an all time record for the Club of 37,329 members, resulting in an increase in revenue of \$0.35m or 7% to \$4.97m
  - An increase in gate receipts revenue of 92% or \$0.56m due to the Club having two home games at the MCG with large crowds. All three Melbourne home games in the previous year were at Etihad Stadium
- Partially offset by
  - A decrease in reserved seating revenue of \$0.11m or 4% to \$2.82m due to the reduced capacity at Skilled Stadium with the construction of The Premiership Stand
  - An increase in merchandise revenue of \$0.27m or 11% to \$2.74m.
  - An increase in sponsorship, advertising and fundraising revenues of \$1.93m or 16% to \$13.76m, primarily due to new sponsorship arrangements, and revenues associated with the Club's 150th birthday celebrations, Premiership and Brownlow memorabilia, finals functions and finals ticketing.
- An increase in dividends from the AFL of \$0.98m to \$7.90m, due to the prizemoney paid to the Club and players for winning the AFL Premiership, the prizemoney for the NAB Cup Premiership, and the increase in the regular annual dividend.

– An increase in gaming and food and beverage revenue of \$1.46m or 27% to \$6.88m, with the opening of the Club's new entertainment venue named The Brook on Sneydes in Point Cook.

– The Club's share of the proceeds from the sale of Waverley Park had been fully received by 2008. In 2008, the Club received \$250,000.

#### EXPENDITURES

Expenditures increased from \$35.69m in 2008 to \$40.25m in 2009, an increase of \$4.56m or 13%. The major areas contributing to this result were:

- Marketing costs increase of \$0.90m or 11% to \$8.97m, due primarily to costs of administrating the Club's marketing programs and servicing members and sponsors, and also costs in relation to the Club's 150th birthday celebrations, finals functions and finals ticketing.
- Football costs increase of \$2.35m or 16% to \$17.22m, due primarily to an increase in player payments of \$1.58m or 19% to \$10.09m, inclusive of finals payments, prizemoney and marketing agreements.
- Increased cost of sales of \$2.06m or 31% to \$8.63m, with the opening of the Club's new entertainment venue named The Brook on Sneydes in Point Cook, the production and sale of Premiership and Brownlow memorabilia and increased merchandise sales.
- An increase in administration costs of \$0.48m or 10% to \$5.33m, due to the increase in general administration, facility maintenance and depreciation charges, and the cost of feasibility studies of \$0.17m into the proposed phase three of the Skilled Stadium redevelopment and an exclusive training facility.
- The Club wrote off assets in 2008 primarily associated with the demolition of the Ross Drew Stand totalling \$1.16m. There were asset write offs totalling \$1,000 in 2009.

## BALANCE SHEET

AS AT 31 OCTOBER 2009

	2009 \$	2008 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,467,345	758,402
Trade and other receivables	898,600	960,131
Inventories	729,886	441,544
Other assets	64,998	214,284
<b>TOTAL CURRENT ASSETS</b>	3,160,828	2,374,361
<b>NON CURRENT ASSETS</b>		
Trade and other receivables	-	250,000
Investments in subsidiaries	-	12
Intangible assets	3,286,891	3,149,044
Available-for-sale financial assets	107,137	98,833
Plant and equipment	8,327,191	7,614,160
<b>TOTAL NON CURRENT ASSETS</b>	11,721,219	11,112,049
<b>TOTAL ASSETS</b>	14,882,047	13,486,410
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,146,663	1,991,118
Income received in advance	118,814	567,186
Interest bearing liabilities	540,520	701,999
Provisions	1,035,530	1,066,937
<b>TOTAL CURRENT LIABILITIES</b>	4,841,527	4,327,240
<b>NON CURRENT LIABILITIES</b>		
Interest bearing liabilities	1,349,050	1,135,248
Provisions	46,468	45,272
<b>TOTAL NON CURRENT LIABILITIES</b>	1,395,518	1,180,520
<b>TOTAL LIABILITIES</b>	6,237,045	5,507,760
<b>NET ASSETS</b>	8,645,003	7,978,650
<b>EQUITY</b>		
Retained profits	8,661,003	8,010,209
Investment Fluctuation Reserve	(16,000)	(31,559)
<b>TOTAL EQUITY</b>	8,645,003	7,978,650

## DISCUSSION AND ANALYSIS – BALANCE SHEET

### CHANGES IN COMPOSITION OF ASSETS AND LIABILITIES

Net assets increased by \$0.67m to \$8.65m

#### CHANGES IN ASSETS

The major changes were:

##### Current assets

- An increase in cash at bank and on hand of \$0.71m to \$1.47m.
- An increase in inventories of \$0.29m, representing increased merchandise and memorabilia stock holdings.

##### Non – current assets

- An increase in the net carrying amount of property, plant and equipment of \$0.71m, due primarily to the capitalisation of the internal fit out of The Brook on Sneydes entertainment venue at Point Cook, completed during the year at a total cost of \$0.82m.

#### CHANGES IN LIABILITIES

The major changes were:

##### Total interest bearing liabilities

- A net increase in interest bearing liabilities of \$0.05m, due to:
  - Principal repaid of \$0.48m on loans associated with phase 1 of the Skilled Stadium redevelopment (Hickey Stand).
  - Drawdown on loan facility to finance the internal fit out at The Brook on Sneydes totalling \$0.75m.

##### Current liabilities

- An increase in payables of \$1.16m due primarily to merchandise sales, the production and sale of Premiership and Brownlow memorabilia, and various accrued expenses.

## CASH FLOWS STATEMENT

FOR YEAR ENDING 31 OCTOBER 2009

	2009 \$	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers (inclusive of GST)	42,774,578	39,547,345
Interest received	190,463	154,871
Payments to suppliers and employees	(40,838,472)	(37,176,945)
Interest and other costs of finance paid	(84,031)	(149,752)
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	<b>2,042,538</b>	<b>2,375,519</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for plant and equipment	(1,387,468)	(1,085,123)
Payment for intangibles	(214,490)	(216,746)
Payment for available for sale investments	(25,000)	(264,789)
Proceeds from available for sale investments	22,179	253,030
Dividends received on investments	1,738	5,776
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>	<b>(1,603,041)</b>	<b>(1,307,852)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(480,554)	(1,089,000)
Proceeds from borrowings	750,000	-
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>	<b>269,446</b>	<b>(1,089,000)</b>
Net increase/(decrease) in cash and cash equivalents held	708,943	(21,333)
Cash and cash equivalents at the beginning of the year	758,402	779,735
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>1,467,345</b>	<b>758,402</b>

## DISCUSSION AND ANALYSIS – CASH FLOW STATEMENT

### CHANGES IN CASH FLOWS

There was a net increase in cash holdings during the year of \$0.71m. The major changes in cash movements during the year were:

- Receipts from customers increased significantly by \$3.23m or 8% to \$42.77m (incl GST), primarily due to increases in all the Club's revenue streams - membership, merchandise, sponsorship, match receipts, fundraising, major events, food and beverage, gaming and AFL dividends.
- An increase in payments to suppliers and employees of \$3.66m or 10% to \$40.84m (incl GST), mainly due to increases in marketing, football and administration costs, and costs of sales in the merchandise, memorabilia and food and beverage areas.

- Payments for property, plant and equipment during the year totalled \$1.39m, mainly due to the internal fit out of The Brook on Sneydes totalling \$0.82m.
- Loan repayments were made associated with phase one of the Skilled Stadium redevelopment totalling \$0.48m.
- Borrowings for the year to finance the internal fit out of The Brook on Sneydes totalled \$0.75m.

## STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDING 31 OCTOBER 2009

	RETAINED PROFITS \$	INVESTMENT FLUCTUATION RESERVE \$	TOTAL EQUITY \$
<b>BALANCE AS AT 31 OCTOBER 2008</b>	8,010,209	(31,559)	7,978,650
Change in net fair value of available for sale investments	-	25,648	25,648
Transfer of realised loss to finance costs	-	(10,089)	(10,089)
<b>Total income and expenses for the period recognised directly in equity.</b>	-	15,559	15,559
Profit for the period	650,794	-	650,794
Total income and expense for the period	650,794	15,559	666,353
<b>BALANCE AS AT 31 OCTOBER 2009</b>	8,661,003	(16,000)	8,645,003

FOR YEAR ENDING 31 OCTOBER 2008

	RETAINED PROFITS \$	INVESTMENT FLUCTUATION RESERVE \$	TOTAL EQUITY \$
<b>BALANCE AS AT 31 OCTOBER 2007</b>	7,957,622	(1,167)	7,956,455
Change in net fair value of available for sale investments	-	(40,680)	(40,680)
Transfer of realised loss to finance costs	-	10,288	10,288
<b>Total income and expenses for the period recognised directly in equity.</b>	-	(30,392)	(30,392)
Profit for the period	52,587	-	52,587
Total income and expense for the period	52,587	(30,392)	22,195
<b>BALANCE AS AT 31 OCTOBER 2008</b>	8,010,209	(31,559)	7,978,650

### CHANGES IN THE COMPOSITION OF THE COMPONENTS OF EQUITY

The changes in equity relate to:

- Net profit for the period of \$650,794.
- The balance of the Investment Fluctuation Reserve relates to the movement in the fair value of investments held available for sale as at 31 October 2009.



## NOTES TO AND FORMING PART OF THE ACCOUNTS

### NOTE 1 – BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report has been prepared in accordance with the requirements of Accounting Standard AASB 1039 "Concise Financial Reports". The financial report is presented in Australian dollars.

### NOTE 3 – INCOME

	2009 \$	2008 \$
<b>Revenue</b>		
AFL dividends and prizemoney	7,903,252	6,925,752
Special AFL distribution	-	250,000
Gaming, food and beverage	6,877,561	5,418,702
Membership, seating and gate receipts	9,417,127	8,629,240
Merchandise	2,744,491	2,471,272
Sponsorship, advertising and fundraising	13,764,910	11,834,694
Interest	190,463	154,871
Dividends on investments	1,738	5,776
Grant from Geelong Cats Sports Foundation	-	50,000
<b>Total Income</b>	<b>40,899,541</b>	<b>35,740,307</b>

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### GOING CONCERN

The accounts have been prepared on the basis that the Club is a going concern although there is a net current asset deficiency of \$1,680,698 (2008 - \$1,954,103). The going concern basis is considered appropriate as due to the seasonal nature of the Club's activities it expects to generate sufficient funds in the next quarter from membership, seat sales and sponsorship to meet its debts as and when they become due and payable and continue to fund its ongoing operations.

Long term marketing and financial strategies have been developed to manage the Club's debt levels, improve trading profitability and ensure long term viability. The Directors are confident that these strategies will be successful in allowing the Club to continue to participate in the Australian Football League.

### NOTE 4 – RELATED PARTIES

The names of the persons who were Directors of the Club for all or part of the financial year are listed below.

Francis Aloysius Costa OAM	Gareth Eliot Tremayne Andrews
Douglas Graeme Wade	Nicholas Livingstone Carr
Alistair Neil Hamblin	Robert John Gartland
Campbell William Neal	Colin Bruce Carter

Collectively, either individually or through their director related entities, the Directors contributed the following to the Club during the year ended 31 October 2009:

Sponsorship of \$70,275 (2008 - \$111,332). These transactions were conducted on comparable terms to other sponsors and do not result in Directors receiving any preferential benefits.

Donations of goods, services and monies of approximately \$65,750 (2008 - \$84,500).

Directors also transact with the Club, on commercial terms, for other minor items such as membership, seating, events, etc.

Some Directors, through their related entities, may provide goods and services to the Geelong Football Club Limited. There were no such transactions during the financial year.

### NOTE 5 - CONTINGENCIES

#### CONTINGENT ASSETS

Agreements between the MCC and the AFL were made prior to year-end that resulted in a payment of \$100,000 for each of the two home games played by the Club at the MCG during the 2009 season. As the payments are conditional upon legislation being passed through the Victorian Parliament the revenue has not been recognised in the 2009 year.

#### CONTINGENT LIABILITIES

The Club is the project principal for the redevelopment of Skilled Stadium (The Premiership Stand.) As at 20th November 2009 the total budget is \$29,820,000 inclusive of the project contingency of \$176,674. There are some risk factors associated with the project finalisation which may result in a contingent liability. They are:

- Encapsulation of contaminated soil found in ground
- Club endorsed scope changes
- Inclement weather extending finalisation date.

### NOTE 6 – SEGMENT INFORMATION

The Club operates in the sport entertainment sector, engaging in the playing and promotion of the game of Australian Rules Football and the operation of related facilities. Hence, it operates in one business and geographical segment.

### NOTE 7 – SUBSEQUENT EVENTS

The Victorian Government has introduced new arrangements for venue gaming which will commence in 2012. The new arrangements will allow venue operators to acquire and operate their own gaming machines in approved venues. The Club was offered a maximum of 40 gaming machine entitlements at each of its two venues in accordance with the Allocation and Transfer Rules for the Club Offer which were published in the Victorian Government Gazette on 17 August 2009. On 12 November 2009, the Club accepted the pre-auction Club Offer of 40 gaming machine entitlements at both of its venues, being Club Cats and The Brook on Sneydes.

### NOTE 8 – SKILLED STADIUM REDEVELOPMENT (THE PREMIERSHIP STAND)

A Project Committee (made up of one member from the State Government, City of Greater Geelong, the AFL and the Club) has been established to oversee phase two of the Skilled Stadium redevelopment, named the Premiership Stand. Under the Funding Agreement and the Funding Deed, the funds will be received by the Club on behalf of the Project Committee for use on the project. Therefore, the Club will be acting as an agent for the Project Committee.

These funds are held in separate bank accounts and remain under the control of the Project Committee. Any interest revenue from investments also remains under the control of the Project Committee. Any financial contribution to the project by the Club has been recorded as an intangible asset and will be amortised once the asset is ready for use over the period of the Club's ground lease.

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of the Geelong Football Club Limited, we state that:

In the opinion of the Directors:

- a) the concise financial report of the Geelong Football Club for the year ended 31 October 2009 is in accordance with Accounting Standard AASB 1039 "Concise Financial Reports";
- b) the financial statements and specific disclosures included in this concise report have been derived from the full financial report for the year ended 31 October 2009; and
- c) the financial statements and notes are in accordance with the Corporations Act 2001.

On behalf of the Board



**FRANCIS ALOYSIUS COSTA OAM**  
*Director and President*



**ALISTAIR NEIL HAMBLIN**  
*Director*

Geelong, 20 November 2009





Ernst & Young Building  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001  
Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
www.ey.com/au

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

The accompanying concise financial report of the Geelong Football Club Limited comprises the balance sheet as at 31 October 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of the Geelong Football Club Limited for the year ended 31 October 2009. The concise financial report also includes discussion and analysis and the directors' declaration. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

### Directors' Responsibility for the Concise Financial Report

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the concise financial report; 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 concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the Geelong Football Club Limited for the year ended 31 October 2009. Our audit report on the financial report for the year was signed on 20 November 2009 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

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

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

### Independence

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

Liability limited by a scheme approved  
under Professional Standards Legislation



### Auditor's Opinion

In our opinion, the concise financial report, including the discussion and analysis and the directors' declaration of the Geelong Football Club Limited for the year ended 31 October 2009 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Ernst & Young

Robert Perry  
Partner  
Melbourne  
20 November 2009



**GEELONG CATS**

PO Box 461, Geelong Victoria 3220

**TELEPHONE** (03) 5225 2300

**FACSIMILE** (03) 5221 8462

**WEBSITE** [geelongcats.com.au](http://geelongcats.com.au)

