GEELONG FOOTBALL CLUB LIMITED

(ACN 005 150 818)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 OCTOBER 2010

The Directors present their report together with the financial report of the Geelong Football Club Limited ("the Club") for the year ended 31 October 2010, and the auditor's report thereon.

1. DIRECTORS

The Directors of the Club as at the date of signing the Directors' Report were:

FRANCIS ALOYSIUS COSTA OAM

LLD *(Hon Doctorate of Laws Deakin)*

– Geelong Football Club Limited Director for fourteen years
– President of Geelong Football Club Limited for twelve 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 and 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 twelve years

– Vice-President of Geelong Football Club Limited for twelve years

– Member of Geelong Football Club Limited Remuneration Board Committee

Experience

Gareth is Director of Dingle Partners Pty Ltd, a Company involved in many aspects of the property industry and specialising in residential sales and leasing of apartments.

2010 was Gareth's 45th 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.

NICHOLAS LIVINGSTONE CARR

Bachelor of Economics, LLB, MBA

– Geelong Football Club Limited Director for six 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 Chairman 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 former Deputy Chair of the Committee for Geelong.

ALISTAIR NEIL HAMBLIN

Bachelor of Commerce, CPA, MAICD

– Geelong Football Club Limited Director for six 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 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 four years

Experience

Born and educated in Geelong, Bob has been a lifelong supporter of the Geelong Cats. Bob is a member of the Club's History & Tradition Committee and also a Trustee of the Geelong Cats Sports Foundation.

Bob has been an active member of the Geelong Business Community for 35 years, and been involved in the Real Estate and property industry for 29 years. He is Managing Director of Gartland Real Estate, and associated companies, which consults to clients on Real Estate investment, and development in both Commercial and Residential sectors. His company currently manages a portfolio of property in excess of $300 million, has won substantial recognition for business achievements, and most recently was awarded "Business of the Year" in the Geelong Business Excellence Awards.

Bob has served on various business and community boards and committees in the Geelong Region, acting as Deputy Chair of Central Geelong Management Committee, and as Ambassador for Anam Cara House Community Hospice project.

CAMPBELL WILLIAM NEAL

Bachelor of Science

LLB, Barrister and Solicitor of the Supreme Court of Victoria

– Geelong Football Club Limited Director for four 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 of Bankers Trust Australia, where he worked for 10 years.

COLIN BRUCE CARTER

Bachelor of Commerce, MBA

– Geelong Football Club Limited Director for three 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, the Cape York Institute and The Ladder Project. He is a Chairman of the AFL Foundation and
he is also the Federal Government's "Ambassador for Business Action" to promote Indigenous employment.

DIANA CLARE TAYLOR

Bachelor of Laws (Hons), Bachelor of Arts, AICD Diploma

– Geelong Football Club Limited Director for one year

Experience

Diana has been a member of the Geelong Football Club Board since January 2010, and brings with her 10 years experience in football as an administrator and member of a number of tribunals. Diana is a member of the Club's Nine Lives Committee. Diana was the first woman appointed to the Victorian Football League Appeals Board. In November 2007, Diana was elected as the President of the Western Region Football League. Also during 2007, Diana created the Women's Football Foundation within the Western Region Football League, an organisation whose objectives are to encourage and promote the role of women in football. Diana is a corporate lawyer specialising in workplace relations and financial services law. Diana currently holds the position of Executive Counsel at Macpherson & Kelley Lawyers and is the Director of management consultancy company Taylor Chapman Consulting.

HUGH GALBRAITH SEWARD

M.B, B.S, D.Obst, R.C.O.G, F.A.C.S.P, F.A.S.M.F F.S.E.M (UK)

– Appointed a Geelong Football Club Limited Director on 15 November, 2010

Experience

Hugh was the Club's doctor for 25 years from 1982 to 2006 and is chair of the Club's Sports Science Committee. In this role he works closely with the Club's medical and fitness staff ensuring the players, now and into the future are physically prepared the best they can possibly be.

Hugh is the Executive Officer of the AFL Medical Officers Association, a member of the AFL Research Board and Chair of Geelong College.

Hugh continues to practice as a sports physician and general practitioner in Newtown.

Hugh is a life member of the Geelong Football Club.

2. CHIEF EXECUTIVE OFFICER & DIRECTOR

BRIAN CARLYLE COOK

Master of Education

– Geelong Football Club Limited Chief Executive Officer for eleven years

– Geelong Football Club Limited Director for one year

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 for ten years

Experience

Robert has held senior finance and administration management roles for over 15 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

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. There has been no significant changes in the nature of these activities during the year.

5. OPERATING & FINANCIAL REVIEW

The Club has had another strong year of financial performance in 2010 resulting in a net profit of $1,284,509 (2009: $650,794). Turnover increased by 10% to $44,824,045 (2009: $40,899,541).

With the opening of the Premiership Stand capacity of Skilled Stadium increased to 30,900. As a result the Club experienced growth in membership to an all-time record for the Club of 40,655 and also in seasonal reserved seat sales.

Profits from traditional revenue areas of corporate sponsorship, fundraising, merchandise and match returns were all aligned to or above budget. The strong performances were partially offset by a below budget performance at The Brook, the Club's entertainment venue in Point Cook. The Board and management are addressing issues to improve operational performance and are committed to the venue long term.

The Club invested almost $400,000 during the year into the potential Stage three Skilled Stadium redevelopment and an alternative training facility in or around Geelong.

The Club borrowed $3.75M during the year to fund part of its contribution to the Premiership Stand. Total cost of the Premiership Stand was $29.89M.

On May 10, the Club successfully bid for 100 gaming machines licences in the statewide gaming entitlement auction, having secured 80 licences pre-auction. The licences will take effect from August 2012.

6. STATE OF AFFAIRS

The net profit in 2010 has seen the Club's net assets grow to a total value of $9,938,268 (2009: $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.

The Premiership Stand at Skilled Stadium will continue to provide substantial growth in a number of revenue streams in this year and beyond, whilst simultaneously providing enhanced customer service levels for members.

Furthermore, the proposed Stage three Skilled Stadium redevelopment 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. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

The three year term of the current Board of Directors of the Geelong Football Club concludes at the Annual General Meeting (AGM) on 20 December 2010. Nominations for the seven positions on the Board closed on Monday 22 November 2010 and ten nominations were received. A postal ballot will be held to determine the Board of Directors for the next three year term. The result of the election will be announced at the Club's AGM at 7pm on 20 December 2010 in the Fred Flanagan room, Ford Stand, Skilled Stadium.

No other matters or circumstances have arisen between the end of the financial year and the date of this report that has or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in subsequent financial years.

8. LIKELY DEVELOPMENTS

The Club continues to pursue Federal Government funding in order to undertake a $75M Stage three redevelopment of Skilled Stadium. To this point, the Club has secured a $25M budget commitment from the State Government. The Club is considering all options for a "smaller scale" Stage three redevelopment in the event that the Club is unsuccessful in securing further funding and Australia is unsuccessful in the World Cup bid. A Stage three redevelopment of Skilled Stadium is assured as part of stadium works required to host the World Cup.

The Club continues to seek an alternative training facility that will enable exclusive, year round access to elite training facilities for our players and coaches. The establishment of this facility will ensure the best preparation possible for our team.

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 2010.

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:

Tax Services	$15,018
Other Services	$16,000
Assurance Related	$10,500
Accounting Advice	$20,000
Total non audit fees	**$61,518**

11. DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

DIRECTOR	DIRECTORS' MEETINGS	CORPORATE GOVERNANCE COMMITTEE MEETINGS	REMUNERATION COMMITTEE MEETINGS	FINANCE AND AUDIT COMMITTEE MEETINGS
	NUMBER HELD - ATTENDED	NUMBER HELD - ATTENDED	NUMBER HELD - ATTENDED	NUMBER HELD - ATTENDED
Francis Aloysius Costa OAM	10 - 10		1 - 1	
Gareth Eliot Tremayne Andrews	10 - 7		1 - 0	
Nicholas Livingstone Carr	10 - 9	1 - 1		
Alistair Neil Hamblin	10 - 9			4 - 4
Robert John Gartland	10 - 9			
Campbell William Neal	10 - 6			4 - 2
Colin Bruce Carter	10 - 10	1 - 1		
Diana Clare Taylor (appointed 13 January, 2010)	7 - 7			
Brian Carlyle Cook (appointed 20 December, 2009)	7 - 7	1 - 1	1 - 1	4 - 3
Douglas Graeme Wade (retired December, 2009)	2 - 2			

12. INDEMNIFICATION AND INSURANCE OF OFFICERS

During the year the Club paid insurance premiums totalling $9,801 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 25th day of November 2010.

Francis Aloysius Costa OAM
Director and President

Alistair Neil Hamblin
Director

ERNST & YOUNG

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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 2010, 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

Robert Perry
Partner
26 November 2010

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. In addition, the CEO is a director of the club.

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 set out below:

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 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 the scope of external audit
- Independence of the external auditors
- 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 audited financial report is made available to all members on the Club's website.
- 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 *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.

STATEMENT OF COMPREHENSIVE INCOME

For year ending 31 October 2010

	NOTE	2010 $	2009 $
Income			
Revenue	3	44,824,045	40,899,541
		44,824,045	40,899,541
Marketing and related costs		(8,883,917)	(8,974,090)
Football department costs		(17,570,651)	(17,218,885)
Administration and facility costs		(5,615,966)	(5,325,727)
Cost of sales		(10,798,025)	(8,634,924)
Finance costs	4	(633,948)	(94,120)
Assets written-off		(37,029)	(1,000)
Net profit attributable to members of Geelong Football Club Limited	16	**1,284,509**	**650,794**
Other Comprehensive Income			
Net fair value gains/(losses) on available-for-sale financial assets		(8,756)	15,559
Total Comprehensive Income for the period attributable to members of Geelong Football Club		**1,275,753**	**666,353**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

BALANCE SHEET

As at 31 October 2010

	NOTE	2010 $	2009 $
CURRENT ASSETS			
Cash and cash equivalents	5	2,136,408	1,462,345
Trade and other receivables	6	863,648	966,476
Inventories	7	673,861	729,886
Other current assets	8	301,665	69,998
TOTAL CURRENT ASSETS		**3,975,582**	**3,228,705**
NON CURRENT ASSETS			
Intangible assets	9	6,707,484	3,286,891
Finance lease assets	11	9,889,098	-
Available-for-sale financial assets	2(h)	114,235	107,137
Plant and equipment	10	8,642,975	8,327,191
TOTAL NON CURRENT ASSETS		**25,353,792**	**11,721,219**
TOTAL ASSETS		**29,329,374**	**14,949,924**
CURRENT LIABILITIES			
Trade and other payables	12	2,410,772	3,214,538
Income received in advance	2(m)	774,042	118,814
Interest bearing loans and borrowings	13	906,950	540,520
Finance lease liabilities	14	96,119	-
Employee Provisions	15	1,056,514	1,035,530
TOTAL CURRENT LIABILITIES		**5,244,398**	**4,909,403**
NON CURRENT LIABILITIES			
Interest bearing loans and borrowings	13	4,189,012	1,349,050
Finance lease liabilities	14	9,923,431	-
Employee Provisions	15	34,265	46,468
TOTAL NON CURRENT LIABILITIES		**14,146,708**	**1,395,518**
TOTAL LIABILITIES		**19,391,106**	**6,304,921**
NET ASSETS		**9,938,268**	**8,645,003**
EQUITY			
Retained profits		9,945,512	8,661,003
Investment fluctuation reserve		(7,244)	(16,000)
TOTAL EQUITY	16	**9,938,268**	**8,645,003**

The above Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For year ending 31 October 2010

	NOTE	2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		45,328,643	42,774,578
Interest received		107,025	190,463
Dividends received		4,813	-
Payments to suppliers and employees (inclusive of GST)		(42,626,029)	(40,838,472)
Interest paid		(236,512)	(84,031)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	5	**2,577,939**	**2,042,538**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(1,068,065)	(1,606,958)
Payment for intangibles		(3,560,331)	-
Payment for available for sale investments		(5,291)	(25,000)
Proceeds from available for sale investments		-	22,179
Dividends received		-	1,738
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		**(4,633,686)**	**(1,608,041)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(540,520)	(480,554)
Proceeds from borrowings		3,746,912	750,000
Repayment of finance lease principal		(476,582)	-
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		**2,729,810**	**269,446**
Net increase/(decrease) in cash and cash equivalents held		674,063	708,943
Cash and cash equivalents at the beginning of the year		1,462,345	758,402
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	5	**2,136,408**	**1,462,345**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For year ending 31 October 2010

		Retained Profits $	Investment Fluctuation Reserve $	Total Equity $
At 1 November 2009		8,661,003	(16,000)	8,645,003
Profit for the period		1,284,509	-	1,284,509
Other Comprehensive Income		-	8,756	8,756
Total Comprehensive Income for the period		**1,284,509**	**8,756**	**1,293,265**
At 31 October 2010	16	**9,945,512**	**(7,244)**	**9,938,268**
For year ending 31 October 2009				
At 1 November 2008		8,010,209	(31,559)	7,978,650
Profit for the period		650,794	-	650,794
Other Comprehensive Income		-	15,559	15,559
Total Comprehensive Income for the period		**650,794**	**15,559**	**666,353**
At 31 October 2009		**8,661,003**	**(16,000)**	**8,645,003**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE ACCOUNTS

NOTE 1 - CLUB INFORMATION

The registered office of the Club is located at:

Skilled Stadium
Kardinia Park
Geelong, Victoria, 3220

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. The financial report of the Club for the year ended 31 October 2010 was authorised for issue in accordance with a resolution of the Directors on 25th November 2010.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*. Except for available-for-sale investments, which are measured at fair value, this report is prepared in accordance with the historical cost convention and except where stated, does not take into account current valuations of non-current assets.

(b) 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 $1,268,815 (2009: $1,612,822). 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.

(c) Cash and Cash Equivalents

For the purpose of the Balance Sheet and Cash Flow Statement, cash and cash equivalents includes cash at bank, cash on hand and short-term deposits either held at call or with an original maturity of three months or less.

(d) Trade and Other Receivables

Trade receivables, which generally have 7-30 day payment terms from the date of the invoice/statement, are initially recognised at fair value and then subsequently measured at fair value less an allowance for impairment.

Other receivables are measured at amortised cost using the effective interest method, are non-interest bearing and are settled based on various commercial terms and conditions, generally in 30 to 90 day terms.

Collectability of trade and other receivables is reviewed on an ongoing basis by Club management. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Club will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value:

- Merchandise is valued at weighted average cost.
- Memorabilia is valued at purchase cost.
- Food and Beverage is valued at purchase cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

(f) Leases

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

Finance leases, which transfer to the Club substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Club will obtain ownership by the end of the lease term.

Operating lease payments are recognised in the statement of comprehensive income on a straight-line basis over the lease term.

Finance leases, which transfer to the Club substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

(g) Intangible Assets

Intangible Assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Internally generated intangible assets are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful life and tested for impairment individually or at the cash-generating unit level on an annual basis or when there is an indication that the intangible asset or cash-generating unit may be impaired (see note 2(j) for methodology). The amortisation period and the amortisation method for an intangible asset are reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

(h) Available-for-sale financial assets

The Club has investments comprising equity securities and a cash management fund. These are classified as available-for-sale investments and are measured at fair value with gains and losses being recognised as a separate component of equity until the investment is derecognised or until the investment is deemed to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the profit or loss. Fair value of investments is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

(i) Plant and Equipment

Plant and equipment and leasehold improvements are stated at historical cost, less accumulated depreciation and any accumulated impairment losses. Where an asset is acquired at no cost, or for a nominal cost, the cost is it's fair value as at the date of acquisition. Plant and equipment is depreciated over their estimated useful lives using the straight line method commencing from the time the asset is held ready for use.

The following depreciation rate ranges have been used:

Furniture, fittings and office equipment	6% - 50%
Motor vehicles	25%
Leasehold improvements	2.5% - 20%

Leasehold improvements are amortised over the period of the Club's ground lease or the estimated useful life of the improvement, whichever is the shorter.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(j) Impairment

Plant & Equipment and Intangibles

The carrying values of plant and equipment and intangibles are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment and intangibles is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount, with an impairment loss recognised in the Income Statement.

Financial Assets

The Club assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss has been incurred on a financial asset, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The discount rate used for financial assets carried at amortised cost is the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

(k) Income Tax

No income tax is payable by the Club as it is an exempt sporting organisation in accordance with Section 50-45 of the Income Tax Assessment Act 1997.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost and are recognised for amounts to be paid in the future for goods or services received, whether or not they have been billed to the Club. Trade payables are unsecured and are normally settled within 30 days. Other payables are settled on various commercial terms and conditions, typically within 30 days.

(m) Income Received in Advance

Income received in advance is recognised in line with the terms of specific contracts. Membership subscription income in advance is recognised in line with the membership subscription period and the service obligations of the Club.

(n) Employee Provisions

Provisions for employee benefits are recognised when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Liabilities arising from wages and salaries, annual leave and accumulating sick leave, which will be settled within 12 months of reporting date, have been measured at the amounts expected to be paid when the liability is settled, plus related on costs in respect of employees' services up to the reporting date.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at 31 October 2010 on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred. All superannuation guarantee legislative requirements are met.

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

(o) Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e.an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(p) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Club and the revenue can be reliably measured, net of the amount of goods and services tax (GST).

Sales revenue is recognised when there has been a transfer of the risks and rewards to the customer. Sales revenue is detailed in note 3 and comprises revenue earned from AFL dividends and prize money, membership, reserved seating, merchandise, sponsorships, fundraising, gate receipts, food and beverage, gaming activities and interest on investments. Sponsorships involving contra arrangements are recognised as revenue equivalent to the fair value of the services provided by the sponsor. Interest income is recognised as it accrues using the effective interest method.

(q) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST). The amounts reported for receivables and payables are inclusive of GST. The net amount of GST receivable from, or payable to, the Australian Taxation Office ("ATO") is included as a current asset or liability in the Balance Sheet.

Cash flows from operating activities are included in the Cash Flow Statement on a gross basis. The GST components of cash flows applicable to investing and financing activities that are recoverable from, or payable to, the ATO are classified in operating cash flows.

(r) Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(s) Members' Liability on Winding Up

The Club is a company limited by guarantee and domiciled in Australia. Accordingly the liability of the members of the Company is limited. As stated in clause 7 of the Club's Memorandum of Association, each member of the Club undertakes to contribute to the assets of the Club in the event of it being wound up while they are a member or within one year afterwards for payment of the debts and liabilities of the Club contracted before they cease to be a member and of the costs, charges and expenses of winding up the Club and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding two dollars ($2).

(t) Statement of Compliance

The financial report complies with Australian Accounting Standards. The accounting policies adopted are consistent with those of the previous year except for the adoption of the following accounting standard on 1 November 2009:

AASB 101 Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with members, with non-member changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement or two linked statements. The Club has elected to present one single statement.

Recently issued or amended Australian Accounting Standards and Interpretations

Recently issued or amended Australian Accounting Standards and Interpretations that may effect the Club, but are not yet effective and have not been adopted by the Club for the annual reporting period ending 31 October 2010, are outlined in the table right:

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR GROUP*
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting except for the following: The amendment to AASB 117 removes the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible vs. property, plant and equipment) needs to be determined. The amendment to AASB 101 stipulates that the terms of a liability that could result, at anytime, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification. The amendment to AASB 107 explicitly states that only expenditure that results in a recognised asset can be classified as a cash flow from investing activities. The amendment to AASB 118 provides additional guidance to determine whether an entity is acting as a principal or as an agent. The features indicating an entity is acting as a principal are whether the entity: – has primary responsibility for providing the goods or service; – has inventory risk; – has discretion in establishing prices; – bears the credit risk.	1 January 2010	(iii)	1 November 2010
AASB 2009-5 (con't)	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendment to AASB 136 clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment, as defined in IFRS 8 before aggregation for reporting purposes. The main change to AASB 139 clarifies that a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract. The other changes clarify the scope exemption for business combination contracts and provide clarification in relation to accounting for cash flow hedges.		(iii)	1 November 2010
AASB 2009-8	Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]	This Standard makes amendments to Australian Accounting Standard AASB 2 *Share-based* Payment and supersedes Interpretation 8 *Scope of AASB* 2 and Interpretation 11 *AASB 2 – Group and Treasury Share Transactions.* The amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.	1 January 2010	(iii)	1 November 2010
AASB 2009-9	Amendments to IFRS 1 First-time *Adoption of International Financial Reporting Standards.*	The amendments address the retrospective application of IFRSs to particular situations and are aimed at ensuring that entities applying IFRSs will not face undue cost or effort in the transition process. Specifically, the amendments: – exempt entities using the full cost method from retrospective application of IFRSs for oil and gas assets – exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with IFRIC 4 *Determining whether an Arrangement contains a Lease* when the application of their national accounting requirements produced the same result.	1 January 2010	(iii)	1 November 2010
AASB 2009-10	Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]	The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met.	1 February 2010	(iii)	1 November 2010

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR GROUP*
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below. (a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria. (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	1 January 2013	(iii)	1 November 2013
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes: – two categories for financial assets being amortised cost or fair value – removal of the requirement to separate embedded derivatives in financial assets – strict requirements to determine which financial assets can be classified as amortised cost or fair value, Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows – an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition – reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes – changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income	1 January 2013	(iii)	1 November 2013
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including: (a) the definition now identifies a subsidiary and an associate with the same investor as related parties of each other; (b) entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other; and (c) the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other. A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.	1 January 2011	(i)	1 November 2011

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR GROUP*
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. In particular, it amends AASB 8 *Operating Segments* to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB.	1 January 2011	(ii)	1 November 2011
AASB 2009-13	Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	This amendment to AASB 1 allows a first-time adopter may apply the transitional provisions in Interpretation 19 as identified in AASB 1048.	1 July 2010	(iii)	1 November 2010
AASB 2009-14	Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	These amendments arise from the issuance of Prepayments of a Minimum Funding Requirement (Amendments to IFRIC 14). The requirements of IFRIC 14 meant that some entities that were subject to minimum funding requirements could not treat any surplus in a defined benefit pension plan as an economic benefit. The amendment requires entities to treat the benefit of such an early payment as a pension asset. Subsequently, the remaining surplus in the plan, if any, is subject to the same analysis as if no prepayment had been made.	1 January 2011	(iii)	1 November 2011
AASB 2010-1	Amendments to Australian Accounting Standards - Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters	First-time adopters of Australian Accounting Standards are permitted to use the same transition provisions permitted for existing preparers of financial statements prepared in accordance with Australian Accounting Standards that are included in AASB 2009-2.	1 July 2010	(iii)	1 November 2010
AASB 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards; and (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements. Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) for-profit entities in the private sector that have public accountability (as defined in this Standard); and (b) the Australian Government and State, Territory and Local Governments. The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) for-profit private sector entities that do not have public accountability; (b) all not-for-profit private sector entities; and (c) public sector entities other than the Australian Government and State, Territory and Local Governments.	1 July 2013	(i)	1 November 2009 (Early Adopted)
AASB 2010-2	Amendments to Australian Accounting Standards arising from reduced disclosure requirements	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements. AASB 1053 provides further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	(iii)	1 November 2010

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD*	IMPACT ON GROUP FINANCIAL REPORT	APPLICATION DATE FOR GROUP*
AASB 2010-3	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]	Limits the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value. Requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses. Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated. Eliminates the requirement to restate financial statements for a reporting period when significant influence or joint control is lost and the reporting entity accounts for the remaining investment under AASB 139. This includes the effect on accumulated foreign exchange differences on such investments.	1 July 2010	(iii)	1 November 2010
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.	1 January 2011	(iii)	1 November 2011
Interpretation 19	Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.	1 July 2010	(iii)	1 November 2010

(i) The Club's current accounting policy complies with the requirements of the amendment.

(ii) The adoption of this new standard, amendment or interpretation will not have a material impact on the Club's financial statements.

(iii) This standard, amendment or interpretation will change the disclosures currently made in the Club's financial report but will have no impact of the amounts recognised in the financial statements.

(u) Significant Accounting Judgements, Estimates and Assumptions

In applying the Club's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Club. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Estimation of useful lives

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and lease terms (for leased equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life . Adjustments to useful lives are made when considered necessary.

Finance lease commitments - Club as leasee

The Club has lease agreements for the usage of Gym Equipment and Skilled Stadium. The Club has determined that it retains substantially all the significant risks and rewards of ownership of the gym equipment and Skilled Stadium primarily as the leases are for the major part of the economic useful lives of the leased assets. Thus the Club has classified these leases as finance leases.

Operating lease commitments - Club as leasee

The Club has lease agreements over the land and buildings at The Brook and various items of office equipment. The Club has determined that it does not retain substantially all the significant risks and rewards of ownership of these leased items and thus the Club has classified these leases as operating leases.

Impairment of Intangibles

The Club assesses whether intangibles are impaired at least annually in accordance with the accounting policy set out in note 2(j). These calculations involve estimating the recoverable amount of the cash generating units to which the intangibles are allocated.

Impairment of available for sale assets

The Club holds a number of available-for-sale financial assets and follows the requirements of AASB 139 Financial Instruments: Recognition and Measurement in determining when an available-for-sale asset is impaired. For the year ended 31 October 2010 the Club has determined that any decline in value of individual available-for-sale assets was not considered significant or prolonged.

Long service leave provision

As outlined in Note 2(n), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at balance date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and manufacturers warranties. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

	NOTE	2010 $	2009 $
NOTE 3 - INCOME			
Revenue			
AFL dividends and prize money		7,029,500	7,903,252
Gaming, food and beverage		9,452,936	6,877,561
Membership, seating and gate receipts		12,180,656	9,417,127
Merchandise		2,436,522	2,744,491
Sponsorship, advertising and fundraising		13,612,594	13,764,910
Interest		107,025	190,463
Dividends on Investments		4,813	1,738
Total Revenue		**44,824,045**	**40,899,541**

NOTE 4 - OPERATING PROFIT

Net gains and expenses
Operating profit for the year includes the following specific net gains and expenses:

	2010	2009
Expenses		
(i) Finance costs		
- Interest paid - bank loans and overdraft	236,512	84,031
- Finance lease interest charge	390,487	-
- Net realised loss on investments	6,949	10,089
Total finance costs	**633,948**	**94,120**
(ii) Depreciation, amortisation and asset write offs		
Amortisation of intangible assets	139,737	345,786
Amortisation of leasehold improvements	278,877	357,593
Amortisation of finance lease asset	216,547	-
Depreciation of plant and equipment	564,706	316,844
Plant and equipment written off	37,029	1,000
Total depreciation, amortisation and write offs	**1,236,896**	**1,021,223**
(iii) Salary, wages and termination expense	21,870,502	21,132,852
(iv) Bad debts written off	4,025	(425)
(v) Operating lease rentals	1,479,517	1,263,521

	2010 $	2009 $
NOTE 5 - CASH FLOW INFORMATION		
(a) Reconciliation of net cash flows from operations to net profit		
Net profit	**1,284,509**	**650,794**
Adjustment for non-cash items		
Depreciation and amortisation	1,199,867	751,080
Contributions of plant and equipment	(132,500)	-
Finance charges on finance liabilities	390,487	-
Assets write offs	37,028	1,000
Bad debt write offs	9,121	-
Net (gain)/loss on disposal of available for sale investments	8,781	10,089
Changes in assets and liabilities		
(Increase)/decrease in trade and other debtors	100,656	61,543
(Increase)/decrease in prepayments	(231,667)	149,286
(Increase)/decrease in inventories	56,024	(288,342)
(Decrease)/increase in trade creditors and accruals	(799,596)	1,155,459
(Decrease)/increase in income in advance	655,228	(448,372)
Cash flows from operations	**2,577,939**	**2,042,538**

(b) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	2010	2009
Cash on hand	587,157	310,275
Cash at Bank	1,549,251	1,152,070
	2,136,408	**1,462,345**

Of the above cash and cash equivalents, $1,146,820 relates to discretionary grants received in the current financial year or carried forward from previous periods from the Australian Sports Foundation which must be spent in accordance with the project purpose which is to upgrade Skilled Stadium in the areas of player, training and spectator facilities (including debt reduction) and purchase sports related equipment. The Club anticipates that it will use the funding to repay the principal Stage three Premiership Stand loan repayments which commence on 31 March 2011.

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

	2010	2009
	$	$
NOTE 6 - TRADE AND OTHER RECEIVABLES		
Trade debtors	723,048	469,515
Amount due from AFL	-	250,000
Other debtors	140,600	246,961
	863,648	**966,476**

(a) Terms and Conditions
Trade receivables are non-interest bearing and generally have repayment terms of between 7 and 30 days.

(b) Allowance for impairment loss
A provision for impairment loss is recognised when there is objective evidence that a trade debtor is impaired. The Club has not recognised impairment losses in relation to any of its trade and other receivables balances at reporting date.

(c) Fair value and credit risk
Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Club's policy to transfer (on-sell) receivables to special purpose entities.

(d) Interest rate risk
Detail regarding the Club's interest rate exposure is disclosed in note 19.

(e) Aging Analysis
At 31 October 2010, the aging analysis of trade receivables is as follows:

	Total	0-30 days	31-60 days PDNI*	61-90 days PDNI*	+91 days PDNI*
	$	$	$	$	$
31 October 2010	**723,048**	648,370	11,487	8,790	54,400
31 October 2009	**469,515**	432,255	17,867	6,436	12,957

* Past Due Not Impaired (PDNI)

	2010	2009
NOTE 7 - INVENTORIES		
Merchandise	174,322	291,149
Memorabilia	281,018	288,291
Food and beverage	218,521	150,446
Total inventories at the lower of cost and net realisable value	**673,861**	**729,886**

(a) Inventory expense
Inventories recognised as an expense for the year ended 31 October 2010 totalled $3,636,495 (2009: $3,138,419). This expense has been included in the cost of sales line item in the statement of comprehensive income.

(b) Allowance for impairment loss
A provision for impairment loss is recognised when there is objective evidence that inventories are impaired. The Club has not recognised impairment losses in relation to any of its inventory balances at reporting date.

(c) Inventory write-downs
Inventory write-downs recognised as an expense in the current financial year totalled $49,288 (2009: $7,339)

		2010	2009
		$	$
NOTE 8 - OTHER ASSETS			
Prepayments		**301,665**	**69,998**
NOTE 9 - INTANGIBLE ASSETS			
(a) Carrying amounts of Intangible Assets measured at cost			
Leasehold rights at cost		7,025,785	3,547,039
Less accumulated amortisation		(482,491)	(344,894)
Net carrying amount	(i)	**6,543,294**	**3,202,145**
Licences at cost		85,638	85,638
Less accumulated amortisation		(3,033)	(892)
Net carrying amount	(ii)	**82,605**	**84,746**
Right to acquire land & buildings	(iii)	81,585	-
Total intangible assets net carrying amount		**6,707,484**	**3,286,891**

(b) Reconciliation of carrying amounts at the beginning and end of the period:

Year ended 31 October 2010	**Leasehold Rights**	**Licences**	**Right to Acquire Land & Buildings**	**Total**
	$	$	$	$
At 1 November 2009	3,202,145	84,746	-	3,286,891
Additions	3,478,746	-	81,585	3,560,331
Amortisation Expense	(137,597)	(2,141)	-	(139,738)
Impairment of Assets	-	-	-	-
At 31 October 2010 net of accumulated amortisation and impairment	**6,543,294**	**82,605**	**81,585**	**6,707,484**
Year ended 31 October 2009				
At 1 November 2008	3,052,050	96,994	-	3,149,044
Additions	226,738	85,638	-	312,376
Amortisation Expense	(76,643)	(97,886)	-	(174,529)
Impairment of Assets	-	-	-	-
At 31 October 2009 net of accumulated amortisation and impairment	**3,202,145**	**84,746**	**-**	**3,286,891**

(c) Description of the Club's intangible assets

(i) Leasehold Rights
Leasehold rights have been acquired via Club contributions to Stages one, two and three of the Skilled Stadium Redevelopment and are being carried at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is being amortised using the straight line method over the remaining Skilled Stadium Lease term commencing at the completion of each stage of the development (36-40 years). These assets are subject to impairment testing on an annual basis or whenever there is an indication of impairment.

(ii) Licences
The costs associated with obtaining a gaming licence from the Victorian Casino and Gaming Authority for the Club's Point Cook venue have been capitalised and are being carried at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is being amortised using the straight line method over its useful life of 10 years. This asset is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

(iii) Right to Acquire Land and Buildings
Amounts capitalised as Right to Acquire Land and Buildings represent professional fees incurred in assessing the feasibility of the Club's proposed alternative training facility and are being carried at cost less any accumulated impairment losses. The intangible asset will commence being amortised when the asset is ready for use in a future period but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

(d) Borrowing Costs
The Club have capitalised borrowing costs of $72,322 in the current financial year that were directly attributable to the acquisition of the Premiership Stand Leasehold Right.

NOTE 10 - PLANT AND EQUIPMENT

(a) Carrying amounts of Plant and Equipment measured at cost	**2010 $**	**2009 $**
Leasehold improvements at cost	7,312,626	7,452,244
Less accumulated amortisation	(2,193,514)	(2,008,433)
Net carrying amount	**5,119,112**	**5,443,811**
Plant and equipment at cost	5,564,717	4,533,639
Less accumulated depreciation	(2,040,855)	(1,650,259)
Net carrying amount	**3,523,862**	**2,883,380**
Total net carrying amount	**8,642,975**	**8,327,191**

(b) Reconciliation of carrying amounts at the beginning and end of the period:

For the year ended 31 October 2010	**Leasehold Improvements $**	**Plant and Equipment $**	**Total $**
Carrying amount at 1 November 2009	5,443,811	2,883,380	8,327,191
Additions	1,496	1,246,847	1,248,343
Disposals	(47,318)	(36,778)	(84,096)
Depreciation/amortisation expense	(278,877)	(564,707)	(843,584)
Carrying amount at 31 October 2010	**5,119,112**	**3,528,742**	**8,647,854**
For the year ended 31 October 2009			
Carrying amount at 1 November 2008	5,614,161	1,999,999	7,614,160
Additions	187,243	1,201,225	1,388,468
Assets written-off	-	(1,000)	(1,000)
Depreciation/amortisation expense	(357,593)	(316,844)	(674,437)
Carrying amount at 31 October 2009	**5,443,811**	**2,883,380**	**8,327,191**

	2010 $	**2009 $**
NOTE 11 – FINANCE LEASES ASSETS		
(a) Carrying amounts of Finance leased assets		
Finance lease asset – Skilled Stadium	9,657,431	-
Less Accumulated Amortisation	(156,486)	-
Net Carrying Amount	**9,500,945**	**-**
Finance lease asset – Gym equipment	448,214	-
Less Accumulated Amortisation	(60,061)	-
Net Carrying Amount	**388,153**	**-**
Total Net Carrying Amount	**9,889,098**	**-**

(b) Finance Lease asset – Skilled Stadium
The existing lease on Skilled Stadium has been historically classified as an operating lease. This lease has been reclassified in the current financial year to a finance lease predominantly based on the fact that the newly constructed Premiership Stand is now included as part of the Skilled Stadium lease agreement and the remaining lease term is for the major part of the assets economic useful life. As the lease agreement does not distinguish the rental allocation between land and buildings and rent expense cannot be reliably applied in proportion to the fair value of Skilled Stadium, the entire Skilled Stadium lease must be recognised as a finance lease. The leased asset was capitalised on its completion date of 1 April 2010 at the present value of the minimum lease payments and will be amortised over the remaining 36 year lease term.

(c) Reconciliation of total minimum lease payments and their present value
The Club has finance leases for which the estimated future minimum lease payments amount to $28,886,834 (2009: $Nil). They are non-cancellable leases which have a fixed interest rate of 7.86%. The finance lease over Skilled Stadium has a remaining lease term of 36 years and the finance lease over gym equipment has a remaining lease term of 4 years.

Within one year	862,470	-
Later than one year and not later than five years;	3,561,150	-
Later than five years	24,463,214	-
Minimum Lease Payments	**28,886,834**	**-**
Less future finance charges	(18,997,736)	-
Total recognised as Liability	**9,889,098**	**-**

NOTE 12 - TRADE AND OTHER PAYABLES

Trade payables	1,090,185	1,323,658
Other creditors and accruals	1,320,587	1,890,880
	2,410,772	**3,214,538**

(a) Terms and Conditions
All payables are non-interest bearing and are normally settled on 30 day terms.

(b) Fair value
Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

(c) Interest rate and liquidity risk
Information regarding interest rate and liquidity risk exposure is set out in note 19.

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

NOTE 13 - INTEREST BEARING LOANS AND BORROWINGS

	2010 $	2009 $
Current		
Bank loans (secured)	906,950	540,520
	906,950	**540,520**
Non-Current		
Bank loans (secured)	4,189,012	1,349,050
	4,189,012	**1,349,050**
Total Interest bearing loans and borrowings	**5,095,962**	**1,889,570**

(a) Financing Facilities

At 31 October 2010 the Club has the following loans from the Bendigo Bank:

(i) Club Cats Bank Loan

The Club has a bank facility of $866,000 which was used to refurbish Club Cats in 2007. The outstanding balance at 31 October 2010 is $692,800 and is subject to a fixed interest rate (currently 7.641%). Annual fixed principle repayments commenced on 31 March 2010 and four repayments remain.

(ii) The Brook Bank Loan

The Club has a bank facility of $750,000 which was used to fund the fit-out of the Brook in 2009. The remaining balance at 31 October 2010 is $656,250 and is subject to a variable rate of interest. Annual fixed principle repayments commenced on 31 March 2010 and seven repayments remain.

(iii) Premiership Stand Bank Loan

The Club has a bank facility of $4,100,000 used to finance Club contributions to the Skilled Stadium Premiership Stand Redevelopment which is subject to a variable interest rate. At 31 October 2010, the Club had drawn on $3,746,912. The principle amount is scheduled to be repaid via six fixed principle repayments commencing 31 March 2011.

(iv) Overdraft Facility

The Club has access to a temporary overdraft limit of $1 million, which is available each year from August to December. As at 31 October 2010 this temporary cash extension was not being utilised.

(b) Fair values

The fair values of interest bearing loans and borrowings have been disclosed in note 19(e)(ii).

(c) Interest rate and liquidity risk

Details regarding interest rate risk and liquidity risk are disclosed in note 19.

(d) Security for borrowings

Bank loans, overdraft facilities and bank guarantees with Bendigo Bank are secured by a registered debenture mortgage over the assets of the Club.

(e) Defaults and breaches

During the current and prior years, there were no defaults or breaches on any of the loans.

NOTE 14 - FINANCE LEASE LIABILITY

	2010 $	2009 $
Current		
Finance lease liability - Skilled Stadium	-	-
Finance lease liability - Gym equipment	96,119	-
	96,119	**-**
Non-Current		
Finance lease liability - Skilled Stadium	9,617,060	-
Finance lease liability - Gym equipment	306,371	-
	9,923,431	**-**
Total Finance Lease Liability	**10,019,550**	**-**

NOTE 15 - EMPLOYEE PROVISIONS

	2010 $	2009 $
Current		
Provision for annual leave	558,329	525,976
Provision for long service leave	498,185	509,554
	1,056,514	**1,035,530**
Non-Current		
Provision for long service leave	34,265	46,468
Total Employee Provisions	**1,090,779**	**1,081,998**

Refer to note 2(n) for the relevant accounting policy and a description of the nature and timing of employee provisions. Furthermore, this note contains a discussion of the significant estimations and assumptions applied in the measurement of this provision.

NOTE 16 - RETAINED EARNINGS AND RESERVES

(a) Movements in retained earnings and reserves were as follows:

	2010 $	2009 $
Balance 1 November	8,661,003	8,010,209
Net profit attributable to members of the Geelong Football Club Limited	1,284,509	650,794
Investment Fluctuation Reserve	(7,244)	(16,000)
Balance 31 October	**9,938,268**	**8,645,003**

(b) Nature and purpose of reserves

The investment fluctuation reserve is used to record increases and decreases in the fair value (net unrealised gains) of available-for-sale financial assets.

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

NOTE 17 - REMUNERATION OF KEY MANAGEMENT PERSONNEL

(a) Compensation for key management personnel

	2010	2009
	$	$
Short-term employee benefits	2,678,162	2,790,240
Other short-term employee benefits (c)	9,801	8,910
Total Compensation	**2,687,963**	**2,799,150**

(b) Definition of key management personnel

Key management personnel have been determined by the Club to be as follows:

(i) Board of Directors

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	Campbell William Neal
Gareth Eliot Tremayne Andrews	Colin Bruce Carter
Nicholas Livingstone Carr	Diana Claire Taylor (appointed 13 January, 2010)
Alistair Neil Hamblin	Brian Carlyle Cook (appointed 20 December, 2009)
Robert John Gartland	Douglas Graeme Wade (retired 20 December, 2009)

(ii) Other Key Management Personnel (KMP)

Chief Executive Officer	Brian Cook
General Manager – Finance and Administration	Robert Threlfall
General Manager – Football	Neil Balme
Football Operations Manager	Steven Hocking
General Manager – Public Relations	Kevin Diggerson
General Manager – Commercial Operations	David Lever
General Manager – People and Culture	Rosie King (appointed 6 September, 2010)
General Manager – People and Culture	Sharon Stekelenburg (resigned 7 May, 2010)
Senior Coach	Mark Thompson (resigned 4 October, 2010)
Senior Coach	Chris Scott (appointed 18 October, 2010)

(c) Other short-term benefits

Other short-term benefits consist of Directors' and Officers liability insurance taken out by the Club on behalf of the Board of Directors. This is the only financial benefit provided to the Board of Directors.

NOTE 18 - RELATED PARTIES

(a) Key management personnel

Details relating to KMP, including remuneration paid, are included in Note 17.

(b) Transactions with KMP and their related parties

During the year a number of key management personnel purchased club membership packages, match day tickets, club merchandise, attended club functions, made donations and contributed towards fundraising activities. The terms and conditions of the transactions with KMP's and their KMP related entities were no more favourable than those available, or which might be reasonably expected to be available, on similar transactions to non-KMP related entities on an arm's length basis.

Collectively, either individually or through their director related entities, the Directors contributed the following to the Club during the year ended 31 October 2010:

Transactions with KMP and related parties	Sales to KMP	Cost of KMP Sales in Expenses	Purchases from Related Entities	Other Revenue from KMP
	$	$	$	$
Corporate Sales (Revenue)	87,659			
Sponsorship (Revenue)				75,204
Donations (Revenue)				50,750
Cost of Sales (Expense)		41,480		
Professional Advice (Expense)			1,716	
	87,659	**41,480**	**1,716**	**125,954**

(c) Other balances with KMP and their related parties

Trade and other receivables recognised at reporting date in relation to KMP and their related parties totalled $4,507 (2009: $Nil)

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

NOTE 19 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Club's principal financial instruments comprise cash and short term deposits, receivables, payables, bank loans and overdrafts, finance leases and available-for-sale investments.

(a) Risk Management Overview

The Club manages its exposure to key financial risks in accordance with the Club's financial risk management policies. Risk management policies are established to identify and analyse the risks faced by the Club, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The objective of the policies is to support the delivery of the Club's financial targets whilst protecting future financial security.

(b) Risk exposures and responses

The main risks arising from the Club's financial instruments are interest rate risk, credit risk, liquidity risk and price risk. The Club uses different methods to measure and manage these risks including assessment of market forecasts for interest rates, reviewing the ageing analyses to manage credit risk and continuous monitoring of future cash flow rolling forecasts to manage liquidity risk.

The Board of Directors reviews and agrees policies for managing each of these risks.

(c) Interest rate risk

The Club's exposure to market interest rates relates primarily to its variable interest rate long term debt obligations with the Bendigo Bank. The level of debt is disclosed in note 13.

At balance date the Club had the following mix of financial assets and liabilities exposed to variable interest rate risk:

	2010 $	2009 $
Financial Assets		
Cash and cash equivalents at bank	1,549,251	1,157,070
Investments - cash component	15,108	32,489
	1,564,359	**1,189,559**
Financial Liabilities		
Bank Loans (variable interest)	4,403,162	750,000
Net exposure	**(2,838,803)**	**439,559**

Taking into account past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, the Club believes the following movements are reasonable and possible over the next 12 months:

	Profit High / (Lower)		Equity High / (Lower)	
	2010	**2009**	**2010**	**2009**
+1% (100 basis points)	(28,388)	4,396	(28,388)	4,396
-1% (100 basis points)	28,388	(4,396)	28,388	(4,396)

(d) Credit risk

Credit risk is the risk of financial loss to the Club if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Club's trade and other receivables. The Club's maximum exposure is equal to the carrying amount of the trade and other debtors balance net of any provision for impairment which is disclosed in note 6.

To minimise such risks, the Club trades only with recognised, creditworthy third parties, negating the requirement to request collateral. It is the Club's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Club's exposure to bad debts is not significant. The credit risk on financial assets of the Club is the carrying amount, net of any provision for impairment and has been addressed in each applicable note.

(e) Liquidity risk

Liquidity risk is the risk that the Club will not be able to meets its financial obligations to repay their financial liabilities as and when they fall due. The Club's objective is to maintain a balance between continuity of funding and flexibility through the use of available bank overdrafts, finance leases and term loans.

The Club's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Club's reputation. The Club monitors cash flow requirements monthly, ensuring there is sufficient cash on demand to meet expected operational expenses.

(i) The following table below reflects all undiscounted cash flows for contractually fixed pay-offs, repayments and interest resulting from recognised financial liabilities

	< 6 months $	6-12 months $	1-5 years $	> 5 years $	Total $
2010					
Trade and other payables	(2,410,772)	-	-	-	(2,410,772)
Finance lease liabilities	(422,484)	(439,986)	(3,561,150)	(24,463,214)	(28,886,834)
Interest Bearing loans and borrowings	(932,717)	(20,562)	(3,512,858)	(734,412)	(5,200,549)
Total fixed pay-offs, repayments and interest	**(3,765,973)**	**(460,548)**	**(7,074,008)**	**(25,197,626)**	**(36,498,155)**
2009					
Trade and other payables	(3,146,662)	-	-	-	(3,146,662)
Finance lease liabilities	-	-	-	-	-
Interest Bearing loans and borrowings	(316,252)	(364,046)	(1,268,965)	(313,008)	(2,262,271)
Total fixed pay-offs, repayments and interest	**(3,462,914)**	**(364,046)**	**(1,268,965)**	**(313,008)**	**(5,408,933)**

(ii) Fair values of financial assets and liabilities

The fair value of cash, other financial assets, trade and other payables, finance lease liabilities and interest bearing loans and borrowings of the Club compared to their carrying amount is as follows:

	Carrying Value $	Net Fair Value $
Financial Assets		
Cash and cash equivalents	2,136,408	2,136,408
Trade and other debtors	863,648	863,648
Available-for-sale financial assets	114,235	114,235
Total Financial Assets	**3,114,291**	**3,114,291**
Financial Liabilities		
Trade and other Payables	(2,410,772)	(2,410,772)
Finance Lease Liabilities	(10,019,550)	(10,019,550)
Interest Bearing loans and borrowings	(5,095,962)	(5,105,112)
Total Financial Liabilities	**(17,526,284)**	**(17,535,434)**

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

The Club determines net fair values in the following manner:

Cash and cash equivalents	The carrying amount represents fair value as it equates to cash on hand and the account balance is withdrawable by the Club at any time without notice.
Trade and other debtors	The carrying amount represents fair value, as it is a contractual obligation on the debtor, usually payable within 30 days of the date of invoice.
Available-for-sale financial assets	The carrying amount represents fair value, as it is revalued to market price at reporting date.
Trade and other Payables	The carrying amount represents fair value, as it comprises a contractual obligation on the Club, usually payable within 30 days of the date of invoice.
Finance Lease Liabilities	The carrying amount represents the fair value, as the amount recognised in the balance sheet is the present value of future minimum lease repayments.
Interest Bearing loans and borrowings	The fair value represents the present value of principal and interest repayments on the Club's loans and borrowings.

(f) Price risk

The Club's exposure to commodity and equity securities price risk is minimal. The Club is exposed to equity securities price risk though its investments in equity securities. To limit this risk the Club diversifies its portfolio, which mainly consists of high quality equity investments that are publicly traded on the ASX in accordance with professional advice received. The price risk on investments is immaterial in terms of its possible impact on profit and loss or equity and as such a sensitivity analysis has not been completed.

(g) Capital Management

The Club's objectives when managing capital are to maintain a strong capital base capable of withstanding cash flow variability, whilst providing the flexibility to pursue its growth aspirations. The Club aims to maintain an optimal capital structure to reduce the cost of capital and maximise benefits to members.

The capital structure of the Club consists of debt, which includes interest-bearing loans and borrowings as disclosed in Note 13, cash and cash equivalents and equity.

The Club is not subject to any externally imposed capital requirements.

	2010 $	2009 $
NOTE 20 - REMUNERATION OF AUDITORS		
Remuneration for audit of the financial report	**55,000**	**50,000**

Remuneration paid to Ernst & Young for other assurance related services and taxation advice is disclosed in the Director's Report.

NOTE 21 - COMMITMENTS FOR EXPENDITURE

(a) Operating leases

Commitments in relation to leases contracted for at reporting date but not recognised as liabilities are payable as follows:

	2010 $	2009 $
- Not later than 1 year	1,272,921	1,886,815
- Later than 1 year but not later than 5 years	4,824,693	7,196,050
- Later than 5 years	19,923,931	21,090,115
	26,021,545	**30,172,980**

The Club leases property, plant and equipment under operating leases expiring from 1-19 years, typically with an option to renew the leases after they expire. Of the non-cancellable operating leases at 31 October 2010, $25,424,933 relates to The Brook, the Club's Point Cook gaming venue which has been taken out over a 20 year lease term.

(b) Capital expenditure commitments

Capital expenditure contracted at reporting date but not recognised as a liability in the accounts are payable as follows:

	2010 $	2009 $
- Not later than 1 year	-	3,800,000
- Later than 1 year but not later than 5 years	2,535,133	-
- Later than 5 years	786,765	-
	3,321,898	**3,800,000**

Capital expenditure commitments relate to the acquisition of 180 gaming entitlements for the Club's two gaming venues, Club Cats and The Brook. The gaming entitlements were purchased at various costs and are valid for a period of 10 years commencing 16 August 2012. The Club paid a deposit of $174,837 in the financial year ended 31 October 2010, with a future obligation of $3,321,898 payable over 4 years from commencement date in quarterly instalments.

The $3,800,000 commitment in the previous financial year related to Club funded capital expenditure on the Skilled Stadium Redevelopment – The Premiership Stand, which was all paid in the current financial year and disclosed in note 9.

(c) Remuneration commitments

The Club has contractual remuneration commitments extending beyond this financial period in respect of players, coaches and staff. The commitments as they stand at the time of preparing this report are detailed below. These figures include estimates of matches played and incentive payments for both players and coaches. The Club is not aware of any material contingent commitments that have not been recognised in this financial report.

	2010 $	2009 $
- Not later than 1 year	10,078,300	10,925,660
- Later than 1 year but not later than 2 years	4,798,000	7,698,000
- Later than 2 years but not later than 5 years	1,182,500	2,178,000
	16,058,800	**20,801,660**

NOTES TO AND FORMING PART OF THE ACCOUNTS (continued)

NOTE 22 - SUBSEQUENT EVENTS

The three year term of the current Board of Directors of the Geelong Football Club concludes at the Annual General Meeting (AGM) on 20 December 2010. Nominations for the seven positions on the Board closed on Monday 22 November 2010 and ten nominations were received. A postal ballot will be held to determine the Board of Directors for the next three year term. The result of the election will be announced at the Club's AGM at 7pm on 20 December 2010 in the Fred Flanagan room, Ford Stand, Skilled Stadium.

No other matters or circumstances have arisen between the end of the financial year and the date of this report that has or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in subsequent financial years.

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 financial statements and notes of the Geelong Football Club are in accordance with the Corporations Act 2001, including:
   (i) giving a true and fair view of the Company's financial position as at 31 October 2010 and of it's performance for the year ended on that date; and
   (ii) complying with Accounting Standards and Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Francis Aloysius Costa OAM	**Alistair Neil Hamblin**
Director and President	Director

Geelong, 25th November 2010

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

Report on the Financial Report

We have audited the accompanying financial report of the Geelong Football Club Limited, which comprises the balance sheet as at 31 October 2010, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the club a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of the Geelong Football Club Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the financial position of the Geelong Football Club Limited at 31 October 2010 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Ernst + Young

Ernst & Young

Robert Perry
Partner
Melbourne
26 November 2010

GEELONG FOOTBALL CLUB LIMITED

(ACN 005 150 818)