



2017 Financial Report









**Footscray Football Club Limited
trading as Western Bulldogs
and controlled entity**

ABN 68 005 226 595

Consolidated Financial Report

For the year ended 31 October 2017

This page has been left blank intentionally.



TABLE OF CONTENTS

Directors' report	1 – 12
Auditor's independence declaration	13
Financial report	
Consolidated statement of comprehensive income	14
Consolidated statement of financial position	15
Consolidated statement of changes in equity	16
Consolidated statement of cash flows	17
Notes to financial statements	18 – 35
Directors' declaration	36
Independent auditor's report	37 – 39



**FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595**

DIRECTORS' REPORT

Club Performance

2017 saw the Western Bulldogs report a consolidated net profit of \$1,643,050 for financial year ended 31 October 2017.

Growth in membership and commercial revenue has underpinned the result which delivered the club's third consecutive year of profit in excess of \$1m.

The strong performance has enabled the re-payment of the Club's bank borrowings and strengthened its balance sheet and financial health. At the end of the financial year, the club had no net debt. We are unable to recall the last time the club was in such a position....it is at least forty years.

The key financial objective for 2017 was to continue to reduce debt while supporting growth and investing in football to support our three teams.

Each of those financial objectives was achieved.

Football

Despite not participating in the AFL finals, 2017 was still an encouraging year from a whole of Football program perspective.

Following the success of winning the 2016 AFL premiership, it was disappointing to finish tenth at the end of the home and away campaign in what was one of the most even seasons in the competition's history. It bears remembering the club was two games off equal second position at the end of the home and away season.

At season's end, we bid farewell to two greats of the football club in Bob Murphy and Matthew Boyd, who played 312 and 292 games respectively, with both players leaving an indelible legacy in our club history.

We added additional talent to our list during the off-season, including acquiring Jackson Trengove (Port Adelaide), Hayden Crozier (Fremantle) and Josh Schache (Brisbane) through the free agency and trade period, and Aaron Naughton, Ed Richards, Callum Porter and Billy Gowers through the national and rookie drafts.

Our VFL program continues to be a critical platform for the development of our players. Footscray finished seventh after home and away season, making it through to the second week of the finals series. To have Gowers selected as an AFL rookie after being on our VFL list is a great sign for our development program.

The inaugural AFLW season proved to be a huge success, showcasing women's football on the national stage. It provided a launching pad to integrate female football, participation and respect for female involvement in the game, while also providing inspiration to junior female footballers across the country.

The Western Bulldogs Football Club has been a strong advocate of women's football for many years, and the success of the inaugural season was testament to our commitment in this area.

While on-field results did not produce a grand final opportunity, we were very pleased with the start to our involvement in the AFLW competition.

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

DIRECTORS' REPORT

In September, we announced our alignment with VU Western Spurs, which paved the way for the Club to have its first VFLW team in a revamped state women's competition in 2018.

As further indication of our commitment to the code, Debbie Lee, one of women's football's true pioneers, was announced as our new General Manager of Women's Football in October. The Club will continue to invest heavily into supporting its women's football programs in 2018.

2017 also saw the implementation and expansion of our Next Generation Academy (NGA), with Western Bulldogs regions including the inner west, and western Victoria. These programs, which had approximately 400 participants in 2017, targeted improvement to talent pathways and the development of junior boys and girls of all ethnicities between ages 11-15. Our program is also aimed at increasing participation of multicultural and indigenous youth, with targeted development of 16-18 year olds, with aspirations of drafting these players from within our regions. Our NGA program works very closely with Under 18 TAC Cup teams the Western Jets and Greater Western Victoria Rebels.

The Charles Sutton Medal was won by Marcus Bontempelli for the second year in a row, and he became the youngest ever two-time winner of the award. Nick Jamieson won our Footscray Best and Fairest, and Emma Kearney and Ellie Blackburn were joint winners of our inaugural AFLW Best and Fairest.

We continued to invest heavily in our Football activities throughout 2017, which includes our AFL, VFL, AFLW and NGA programs. Total expenditure in Football was \$25.49 million for the year, an increase of \$2.756m from 2016. The Club is budgeting for further investment in 2018.

Membership and ticketing

The Western Bulldogs achieved another all-time membership record in 2017 with 47,709 members (a 19% increase from 2016). This eclipsed the previous record of 40,081 members set in 2016 and saw the Club again exceed similar sized Victorian clubs such as St Kilda (42,070), Melbourne (42,233) and North Melbourne (40,441).

The Club achieved significant membership growth across all categories in the 2017 season, including a 24% increase in reserved seat memberships and it reached capacity across all guaranteed Grand Final access products (EJ Whitten Social Club and Charles Sutton Premiership Circle). This helped drive overall membership revenue (up by 32% to \$8.47 million).

New membership products launched in 2017 included our suite of AFLW memberships (1266 sales), a new junior product targeted at toddlers (Puppy Pack - 815 sales), and our suite of new Ballarat memberships for our inaugural match in Ballarat (775 sales). Investment across various campaigns aimed at new AFLW members assisted the Club in achieving the record for AFLW members across Victorian based clubs.

Following our premiership success in 2016, the Most Valuable Bulldog campaign was crucial in driving member acquisition in the lead up to the 2017 season. All three campaign targets were achieved, including joining up 1000 unrenewed and lapsed members, 500 new members and adding more than 2000 new contacts to our database.

Operations across ticketing, membership and fan engagement for the Club's inaugural match at Mars Stadium in Ballarat were well-organised with great feedback from members and fans, as well as AFL



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

DIRECTORS' REPORT

operations across these three areas. Despite the cold conditions, the official crowd was 10,087 (official capacity 11,100), providing the desired outcome for both the Club and AFL at this historic game.

The Club's average attendance for home games at Etihad Stadium increased to 36,306 in 2017, with strong member show rates across reserved seats (63%) and general admission (20%). Average attendance at Etihad Stadium versus Victorian based clubs also increased to 38,351 (up 43% since 2013).

Marketing and fan engagement

In 2017, the Club's marketing focus was to capitalise on the success of the premiership, in addition to launching other new core programs, including:

- The launch of a new brand campaign, Where Real Strength Lives, which included a significant media buy across TV, digital and outdoor.
- Enhanced crowd build marketing with a strong focus on the unfurling of the premiership flag, Bob Murphy's 300th game and kids' activities, which represented a three percent increase on crowds.
- The launch of the inaugural AFLW season, including home games at Victoria University Whitten Oval.
- The first AFL game for premiership points at Mars Stadium in Ballarat.

In 2017, the Club continued to engage its supporter base with activities including, but not limited to:

- The continuation of the Bulldogs Friendly Schools program into 21 schools across the west.
- 43 Roadshows delivered throughout the western corridor.
- Grassroots football support with a Western Region Football League sponsorship.
- Strengthening of Victoria University Western Spurs partnership, with the team to be branded the Western Bulldogs in 2018.
- Increasing the amount of Club initiatives on match-day through Club specific big screen content and LED activations.
- The evolution of themed rounds including the premiership flag unfurling, Bob Murphy's 300th game, 'Sunday Funday', Indigenous Round and Multicultural Round.

Communications and Digital

Despite a downturn in AFL performance on the field, the Western Bulldogs maintained a strong media presence across TV, radio, print and online in 2017, which increased the Club's brand exposure and enabled it to tell its story in a controlled and effective manner.

The Club's media efforts focussed on servicing daily requests for interviews with players, coaches and club staff, including maximising exposure through the AFL's broadcast partners on match-day and having a regular presence across all media platforms.

A key focus for media and PR in 2017 was to support the Club's key strategic objectives, namely its commitment to Ballarat and the western corridor of Victoria, women's football and the inaugural AFLW season, and supporting the Western Bulldogs Community Foundation.

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

DIRECTORS' REPORT

An analysis of media coverage delivered in 2016 for all press, radio and TV recorded a total of 3200 media items, which reached a cumulative audience of 422 million.

The Club's digital and social media platforms continued to rise rapidly in 2017. Across the three main social media channels (Facebook, Twitter and Instagram) the Club achieved 11% growth. Social content relating to the *Where Real Strength Lives* brand campaign has reached an audience of more than 1.5 million.

Downloads of the Club's official smartphone app have increased by 30% (the second highest year-on-year growth figure in the AFL). Native Facebook video views increased 50% year-on-year, with a concerted effort to display more video natively through the channel. More than \$250,000 in match-day tickets were sold through the Club's Facebook channel in consultation with the AFL.

The Club's official website saw a 12% jump in unique browsers, a slight drop in page impressions, and a 10% uplift in video views. In industry comparisons, the Club ranked fifth and sixth respectively for social media and website engagement metrics.

Commercial Partnerships

In 2017, the Commercial Partnerships team achieved revenue in excess of \$10m for the first time in the Club's history, with revenue increasing by 8.9% to \$10.544 million.

The Club was also able to negotiate a three-year extension to its major partnership with Mission Foods covering the 2018-2020 seasons, as well as securing global automotive brand Mercedes Benz Vans as the Club's principal partner for three years covering the 2018-2020 seasons. In 2018 Mission Foods move into their tenth year as the Club's major partner, which is a record for the Club.

Other key AFL partners who came on board in 2017 included Mars, Powercor, Petstock, Melbourne Airport Parking and People's Choice. The first AFLW season also saw strong commercial interest, with new partners joining the Club including Priceline Pharmacy, Bob Jane T-Marts and the Pancake Parlour.

The Club would also like to thank its other Premier Partners in EML, Worksafe & Victoria University, as well as key Ballarat partners in the State Government, the City of Ballarat and the TAC. The Bulldogs now boast an impressive array of international, national and state based brands across all levels. The Club has worked diligently to bringing on partners who share the same community oriented values that the Western Bulldogs have, and this has led to many Club partners also becoming key community foundation partners. Vic Health are a great example of this as they have become key partners of our Sons of the West men's health program and our new Daughters of the West program. They are also campaign partners across the Club including the H30 water challenge initiative at home games at Etihad Stadium.

The Western Bulldogs were the sixth most watched sports team in Australia in 2017 with over 15 million viewers, after being the most watched team in 2016. Considering the AFL team missed the finals, this was a strong result on the back of a fixture which included eight Friday night games, the inaugural Good Friday game and a Thursday night game in Sydney. The 2018 AFL Fixture again provides a strong commercial opportunity for the Club with four blockbuster Friday night games and a Thursday night match.



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY ABN 68 005 226 595

DIRECTORS' REPORT

Coterie memberships hit record levels in 2017, and match-day hospitality numbers were strong, particularly for key games played against Victorian teams. The Club's three key coterie groups (Westerners, Player Sponsors and Top Dogs) all enjoy their own room on game day, with the Club also running four President functions throughout the year for key marquee games. The inaugural Ballarat game at Mars Stadium game saw all corporate areas completely sold out.

Consumer Products

On the back of the 2016 Premiership, the Club experienced unprecedented merchandise sales, and in 2017 it achieved a second straight year of revenue in excess of \$2.5 million. Considering that only four years ago the Club was struggling to break even in the merchandise department, this is an amazing transformation. The Premiership success played its role in creating sales organically, however another key success factor was the strong analysis done on stock levels to ensure the Club is maximising gross profit per square meter in the Bulldog Shop, on match-day and online with third party partner Infinite Retail.

The unfurling of the premiership flag in Round 2 and Bob Murphy's 300th game celebration in Round 5 were two clear highlights across the 2017 season. Both of these key games generated \$100,000 in revenue at the game itself (both club records). These two games were great examples of how the merchandise department has worked with departments across the Club to not only ensure a strong merchandise result, but also a fantastic fan experience for Bulldogs' members and fans.

The 2018 Asics merchandise range has been very popular among fans, particularly with new partners Mercedes Benz Vans and Bob Jane T-Marts becoming a key part of the apparel range alongside long term major partner Mission Foods.

Overall commercial revenue increased in 2017, including totals for sponsorship and merchandise.

Events

2017 presented a full calendar of events which were well supported by members, fans and corporate guests.

The year began at Victoria University Whitten Oval where during February the Club hosted four home games for the inaugural AFLW season. All four games were very well attended with an average crowd of approximately 8000 people. During this period, the Club rebranded the annual Family Day to more of a Fan Day prior to one of the AFLW home games, which saw 1500 people attend.

The 2017 Season Launch at Crown Palladium broke the 2016 crowd record, with an attendance of just over 1300 guests.

The Club once again hosted two CBD lunches in 2017 - one in Ballarat and the other at the RACV Club in Melbourne. The Ballarat event this year was hosted at the North Ballarat Sports Club at Mars Stadium with Bulldogs guest speakers Rohan Smith, Jordan Roughead and Kirsty Lamb. At the Melbourne luncheon those in attendance heard from Tennis Australia CEO, Craig Tiley, and a star-studded sporting panel featuring Luke Beveridge, Damien Fleming and Bianca Chatfield.

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

DIRECTORS' REPORT

Victoria University Whitten Oval played host to nine VFL games across the 2017 season, with an average crowd of approximately 1500 people.

The Club's Inside the Kennel events were again popular in 2017, with all four events selling out, leading to these functions being relocated from Whitten Oval to the Yarraville Club.

The 2017 Charles Sutton Medal was held at Crown Palladium, with 1300 people witnessing Marcus Bontempelli collecting back to back best and fairest awards, and a tribute to retiring greats Bob Murphy and Matthew Boyd.

The Club also held a Twilight Cinema event at Victoria University Whitten Oval, which was attended by approximately 300 people.

Western Bulldogs Community Foundation

The mission of the Western Bulldogs is 'to be the community where people are at their best', and this extends beyond the field, beyond membership numbers and beyond gate receipts.

The Western Bulldogs Community Foundation (formerly Spirit West) is the community services arm of the Club which seeks to provide people living in the western suburbs of Melbourne and the western region of Victoria with the tools to succeed. It is registered as a Public Benevolent Institution with Deductible Gift Recipient (DGR) status and operates under the auspices its own Board.

The Foundation works closely with the Club and utilises the Bulldogs' brand as a platform to engage a wide range of participants and positively influence their lives. The Foundation delivers innovative and engaging community services for individuals and families who live and work in the west, working in partnership with government, corporate and community agencies to deliver services and programs to over 5000 people annually through four streams.

Our Health & Wellbeing stream aims to address some of the predominant health concerns through co-designed health and wellbeing programs. Since 2014, the Sons of the West program has continued to act as a prime example of how the Western Bulldogs brand successfully engages a traditionally hard-to-reach cohort of men and encourages them to take a proactive approach to their health and wellbeing. In partnership with seven local councils and two local community health centres, the Western Bulldogs Community Foundation delivered the largest Sons of the West program since its inception. In 2017, 1643 men attended one of the 17 locations delivering the program. Both Victoria University and the University of Melbourne conducted evaluations measuring the program's impact at an individual, collective and partnerships level to inform program sustainability and improvement.

Building on the success of the Sons of the West program, the Foundation also launched the much-anticipated Daughters of the West Pilot Program in October 2017. A total of 274 women participated in the program across four locations. The Daughters of the West Pilot Program was shaped using a co-design process through a series of focus groups with local women. Health topics chosen by women through this process included mental health, nutrition, cooking, physical activity, respectful relationships, prevention of breast, cervical and bowel cancers, financial literacy and parenting.



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY ABN 68 005 226 595

DIRECTORS' REPORT

Our Social Inclusion & Diversity stream aims to build self-reliant and connected communities that participate in and contribute back to our diverse society.

The Ready SETTLE Go Program aims to facilitate a self-reliant and connected community participating in and contributing to society. The program supports new Australians in accessing mainstream services by utilising the unifying power of recreational activities and sports as the conduit to introduce Australian culture and values, while promoting personal wellbeing and social connectedness. The program offers a range of community focused health education, leadership, youth and employability programs in the light of meaningful partnerships and referral pathways with organisations and services in the west. In 2017, the Ready SETTLE Go program engaged 1026 adults, 559 youth and 683 children in a range of settlement

programs across 43 outlets throughout the councils of Wyndham, Hobson's Bay, Melton, Maribyrnong and Brimbank. For the first time, a pilot school holiday program was delivered to 30 young refugees and migrants in the City of Ballarat. Under the RSG umbrella, nine events were delivered across the west to celebrate diversity and cohesion which engaged over 1580 participants. Such events included Refugee Week and Cultural Diversity Week, a Welcome Carnival and Harmony Day.

Our Youth Leadership & Development stream provides young people with hands-on opportunities to become engaged in a learning pathway and grow as social leaders. The Western Bulldogs Leadership Project is a dynamic youth leadership program which continued in 2017 in collaboration with a number of partners including local governments, corporate entities, AFL and the not-for-profit sector. 143 emerging leaders were selected from a pool of nominees to participate in the seven-month program which consists of personal development workshops delivered by Foundation staff, The Reach Foundation, the AFL and local community services. Participants also completed a Community Leadership Project (CLP) where groups select a community issue of interest to them and then plan, implement, deliver and evaluate a basic activity designed to have a positive impact on the issue. In 2017, 38 projects were delivered across Western Victoria.

The Western Bulldogs' Nallei-Jerring Koori Youth Leadership Project supports Aboriginal and Torres Strait Islander young people by providing opportunities through the Bulldogs as a way of encouraging leadership within the local Aboriginal community. In 2017, 16 young people from across six inner west councils participated in the program, which provided participants with the opportunity to connect to culture through Elders, tailored workshops, educational site visits and engagement in AFL Indigenous Round.

The WynBay Bulldogs enjoyed another strong year in 2017. The Reclink Football team, supported by Latitude: Directions for young people, Victoria Police and Hobsons Bay Youth Services, celebrated their 10th anniversary of their inception. The program continues to support at-risk youth and those experiencing disadvantage, with some fantastic workshops taking place during the year.

We believe in, stand for, and work to promote community harmony, and work with the entire community to promote inclusiveness and equality for all, regardless of race, faith, gender or disability.

In 2017, the WBCF introduced a range of fundraising initiatives and events to support its sustainability across all four streams. One of these key events for the year was the inaugural Foundation dinner, where attendees were given the opportunity to learn more about its programs and pledge their support. 200 members of the Western Bulldogs and Western Bulldogs Community Foundation communities were in attendance. Following the 2017 season, the WBCF participated in the Melbourne Marathon, with over 120 members of 'Team Bulldog' participating in the event which raised over \$36,000 for the Foundation.

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

DIRECTORS' REPORT

The WBCF is now building towards a new era of growth, working with key stakeholders to support people in the west to 'be at their best' through its programs.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Likely Developments

The group expects to maintain the present status and level of operations.

Environmental Regulations

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

Information on Directors

Peter Gordon President and Chairman

Qualifications

Bachelor of Laws, Melbourne University
Barrister and solicitor of the Supreme Court of Victoria
Honorary Doctorate of Laws, Victoria University 2017

Experience

Lawyer, Chairman, Deputy Chair and Senior Partner, Slater & Gordon (1980-2009)
Director, Gordon Legal (2009 to date)
Director of Comprehensive Legal Funding LLC (2010 to date)
Director (and Deputy Chair) of VicHealth 2005-2012
President of Footscray (Western Bulldogs) Football Club (1989-1996) and from 2012 to date
Director, Australian Football League (1989-1993)
Chair of Victoria Walks (2009-2011)
Founding Co-Chair of the McCabe Centre for Law and Cancer

Kylie Watson-Wheeler Vice President

Experience

Managing Director, The Walt Disney Company (Australia) Pty Ltd
Vice President and General Manager, Disney Consumer Products & Retail, The Walt Disney Company Australia and New Zealand
Vice President and Chief Marketing Officer, The Walt Disney Company Australia and New Zealand
General Manager, Consumer Sales, The Walt Disney Company Australia and New Zealand
General Manager, Licensing, The Walt Disney Company Australia and New Zealand
Director of Walt Disney Publishing Worldwide (DPW) for Australasia ASEAN, India and Korea
Director of Advertising and Brand Management, Hallmark Cards Inc., based in Kansas City, USA
Various Marketing positions at Coca-Cola Amatil and Penguin Books



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

DIRECTORS' REPORT

Matthew Croft

Qualifications

Bachelor of Spatial Sciences (Surveying and Geomatics)

Masters of Spatial Sciences (Surveying and Geomatics)

Experience

Manager Customer Development, Geomatic Technologies

Footscray/Western Bulldogs player 1991 - 2004 (186 games, 72 goals)

Mark Evans

Qualifications

Bachelor of Business (Accounting) Swinburne Institute of Technology

Bachelor of Business (Marketing) Swinburne Institute of Technology

Graduate Diploma (Applied Finance) Securities Institute

Experience

Executive Chairman and Managing Director, Dental Corporation (2007 to 2016)

Director, Dacland Pty Ltd (2013 to Current)

Director, Pental Ltd (2000 to 2010)

Managing Director, Kids Campus Ltd (2003 to 2006)

Director Normanby Capital (2006 to current)

Gary Kent CEO (Resigned 10 December 2017)

Qualifications

Bachelor of Economics

Harvard Business School Advanced Management Program

Graduate of the Institute of Company Directors

Associate of the Institute of Chartered Accountants

Experience

Chief Executive Officer Western Bulldogs (July 2016 to December 2017)

Chief Financial Officer Skilled Group (May 2012 to October 2015)

Chief Financial Officer Healthscope (August 2008 to November 2010)

Chief Financial Officer Coles Group (July 2007 to February 2008)

Deputy CFO and Group Financial Controller Coles Myer (December 2005 to June 2007)

General Manager Finance Kmart (April 2002 to December 2005)

Fiona McGauchie

Qualifications

Bachelor of Laws (Hons), Melbourne University

Bachelor of Commerce, Melbourne University

Masters of Business Administration, Melbourne Business School

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

DIRECTORS' REPORT

Previously admitted as a barrister and solicitor of the Supreme Court of Victoria
Previously admitted as a barrister and solicitor to the High Court of Australia

Experience

Partner, Egon Zehnder (2009 – present)
Senior Associate, Corrs Chambers Westgarth (2006-2009)
Legal Counsel, Linfox (2003-2006)
Solicitor, Minter Ellison (1999-2003)
Chair, Malthouse Theatre (2016 – present)
School Council Member of the Bayside Special Developmental School (2012-2016)
Board Member, Melbourne Chamber Orchestra (2011-2015)
Board Member, Centre for Contemporary Photography (2008-2011)
Board Member, St Kilda Centre for Contemporary Arts (2007-2013)

Chris Nolan

Qualifications

Bachelor of Science

Experience

Chief Operating Officer, Publicis Media ANZ
Director, Starcom Mediavest Group, Australia
Director, Media Federation of Australia
Director, Melbourne Food and Wine Festival
Board Member, The Alfred Hospital Foundation
Chairman, The AMAA (Audited Media Association of Australia)

Levent Shevki

Qualifications

Bachelor of Commerce
Bachelor of Laws (Hons)

Experience

Partner, Cornwall Stodart (February 2000 to current)
Director, AE Jarrah Capital Group (July 2013 to current)
Director, Twenty3 Sport and Entertainment (2009 to current)

Dr Susan Alberti AC HonLLD (resigned 23rd January 2017)

Qualifications

Graduate of Doctor of Laws honoris causa of Monash University - 2006

Experience

Director, Western Bulldogs Forever Foundation
Managing Director, DANSU Group and associated companies
Chair of the Susan Alberti Medical Research Foundation



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

DIRECTORS' REPORT

Former National President, Juvenile Diabetes Research Foundation
Former Director, Juvenile Diabetes Research Foundation International Board
Former Director, Juvenile Diabetes Research Foundation International
Board of Chancellors
Life Governor, Walter Eliza Hall Research Institute Australia
Life Governor, International Diabetes Institute
Life Governor, Juvenile Diabetes Research Foundation Australia
Chair of the Melbourne Dinner Committee
Director, St Vincent's Institute of Medical Research
Chair of St. Vincent's Institute of Medical Research Foundation
Board Member of the Australian Centre for Health Research
Member of the Advisory Group for the Australian Community Centre for Diabetes
Chair, Victoria University Foundation
Retired Director of The Click Foundation (Epilepsy)
Member of the Australia Day Committee (Victoria)
Australia Day Ambassador (Victoria)
Director Western Health Foundation
Member of the National Diabetes Strategy Advisory Group
Director of the National Australia Day Council
Board Member of the Danii Meads-Barlow Foundation

MEETINGS OF DIRECTORS

Directors	Number Eligible to Attend	Number Attended
Peter Gordon	11	11
Matthew Croft	11	9
Mark Evans	11	10
Gary Kent	11	10
Fiona McGauchie	11	10
Chris Nolan	11	9
Levent Shevki	11	9
Kylie Watson-Wheeler	11	7
Susan Alberti AC (Resigned 23 rd January 2017)	2	2

Members Guarantee

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

Indemnification of Officers

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

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

DIRECTORS' REPORT

Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

Indemnification of Auditors

To the extent permitted by law, Footscray Football Club Limited has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Signed on behalf of the board of directors

Director:

Peter Gordon

A handwritten signature in black ink, appearing to be "Peter Gordon".

Director:

Mark Evans

A handwritten signature in black ink, appearing to be "Mark Evans".

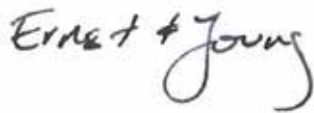
Dated this 12th day of December 2017

Auditor's independence declaration to the Directors of Footscray Football Club Limited

As lead auditor for the audit of Footscray Football Club Limited for the financial year ended 31 October 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Footscray Football Club Limited and the entity it controlled during the financial year.



Ernst & Young



Ashley Butler
Partner
12 December 2017

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2017

	Note	2017 \$	2016 \$
Revenue and other income			
Revenue from Operating Activities	4	51,944,472	48,417,018
		51,944,472	48,417,018
Administration Expenses		(5,898,515)	(5,217,095)
Business Development Expense		(3,496,124)	(3,192,850)
Membership Expense		(4,286,368)	(3,573,251)
Hospitality Expense		(5,670,238)	(5,038,332)
Event Expenses		(1,080,425)	(1,112,108)
Consumer Products Expense		(1,778,700)	(1,759,175)
Community Expense		(1,515,909)	(1,159,511)
Communication Expense		(921,949)	(697,435)
Football Department Expense		(25,489,964)	(22,734,238)
Borrowing Costs	5	(163,230)	(292,005)
Operating profit before impairment and write off charges		1,643,050	3,641,018
Impairment of Gaming Entitlements	11	-	(1,867,784)
Profit for the year		1,643,050	1,773,234
Total comprehensive income		1,643,050	1,773,234

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



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	7	3,927,106	6,973,053
Receivables	8	1,867,975	2,181,540
Inventories	9	230,410	272,070
Other assets	10	128,737	83,939
Assets held for sale	11	-	324,500
Total current assets		6,154,228	9,835,102
Non-current assets			
Intangible assets	12	2,359,467	2,457,408
Property, plant and equipment	13	29,176,705	29,815,543
Total non-current assets		31,536,172	32,272,951
Total assets		37,690,400	42,108,053
Current liabilities			
Payables	14	6,906,277	8,619,625
Borrowings	15	-	498,000
Provisions	16	732,722	700,984
Other liabilities	17	1,953,967	2,429,179
Total current liabilities		9,592,966	12,247,788
Non-current liabilities			
Borrowings	15	-	3,598,153
Provisions	16	387,235	194,963
Total non-current liabilities		387,235	3,793,116
Total liabilities		9,980,201	16,040,904
Net assets		27,710,199	26,067,149
Equity			
Retained Earnings	18	27,710,199	26,067,149
Total equity		27,710,199	26,067,149

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

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2017

	Retained Earnings \$	Total Equity \$
Consolidated		
Balance as at 1 November 2015	24,293,915	24,293,915
Profit for the year	1,773,234	1,773,234
Total comprehensive income for the year	1,773,234	1,773,234
Balance as at 1 November 2016	26,067,149	26,067,149
Profit for the year	1,643,050	1,643,050
Total comprehensive income for the year	1,643,050	1,643,050
Balance as at 31 October 2017	27,710,199	27,710,199

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



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 OCTOBER 2017

	Note	2017 \$	2016 \$
Cash flow from operating activities			
Receipts from customers		51,736,295	48,248,015
Payments to suppliers and employees		(49,039,106)	(41,532,771)
Repayment of amounts owing for gaming entitlements		(824,740)	(837,051)
Interest received		36,872	29,652
Interest paid		(163,230)	(292,005)
Net cash provided by operating activities		1,746,091	5,615,840
Cash flow from investing activities			
Sale of gaming entitlements		348,905	-
Payment for property, plant and equipment		(794,684)	(859,906)
Purchase of Barkers Cafe		(250,106)	-
Net cash (used in) investing activities		(695,885)	(859,906)
Cash flow from financing activities			
(Repayment) of other loan		-	(116,768)
(Repayment) of external borrowings		(4,096,153)	(1,420,496)
Net cash (used in) / provided by financing activities		(4,096,153)	(1,537,264)
Net increase / (decrease) in cash held		(3,045,947)	3,218,670
Cash at beginning of the financial year		6,973,053	3,754,383
Cash at end of financial year	7	3,927,106	6,973,053

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

**FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

NOTE 1: CLUB INFORMATION

Footscray Football Club Limited trading as Western Bulldogs (the "Western Bulldogs" or the "Club") is incorporated in Australia and is a company limited by guarantee. Statutory members of the Club guarantee its liabilities to the extent of \$2 each (refer Note 23).

The principal activities of the Western Bulldogs are the playing and promotion of Australian Rules Football and the operation of related facilities. The Western Bulldogs are a member of the Australian Football League.

The consolidated financial report of the Western Bulldogs for the year ended 31 October 2017 was authorised for issue in accordance with a resolution of the Directors on 12 December 2017.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The consolidated financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial report has been prepared on a historical cost basis, unless otherwise stated.

Both the functional currency and presentation currency of the Club is Australian dollars (\$). All amounts are rounded to the nearest dollar.

The financial report of the Club has been prepared on a going concern basis.

(b) Statement of Compliance

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The Club is a not-for-profit, private sector entity which is not publicly accountable. Therefore, the consolidated financial statements for the Club are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year.

Other Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Club for the annual reporting period ended 31 October 2017.



**FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Going concern

The Club had a positive operating cash flow of \$1,746,091 during the 2017 year, net assets of \$27,710,199 and a net current asset deficiency of \$3,438,738. This deficiency has increased from 31 October 2016 by \$1,026,052 from \$2,412,686.

The deficiency includes \$1,953,967 income in advance relating to pre-paid 2018 memberships sold by 31 October 2017, of which \$1,430,591 was received in cash subsequent to year end. Income in advance is a service liability, and has no cash outflow impact.

The Directors have assessed the financial performance and financial position of the Club at 31 October 2017, together with the Club's ongoing operating activities and anticipated future cash flows from operations, committed and planned AFL distributions and financing arrangements. The Directors have concluded that the going concern basis of accounting continues to be appropriate and that cash flows and financing activities are expected to be available to the Club for the purposes of capital and operational investment in the next 12 months.

Further, the Directors have based their conclusion of the going concern basis of accounting being appropriate on the assumption of the continued financial support of the AFL and the assumption by Club directors that the Club would continue to be considered one of the 18 Clubs in the AFL's competition strategy. These assumptions are true for every current AFL Club, and the AFL itself is a large financial contributor to all 18 AFL Clubs through the distribution of competition wide revenues (for example the television and other media rights receipts). All 18 Clubs operate on the assumption that they will continue to receive financial distributions and that they will continue to maintain their license as one of the clubs in the AFL's ongoing competition strategy.

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

(d) Economic Dependence

A significant portion of the income of the Club is derived from the holding of licenses issued by the Australian Football League and the Victorian Commission for Gambling and Liquor Regulation.

(e) Basis of consolidation

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the Club (the ultimate parent entity) and SpiritWest Foundation Limited trading as Western Bulldogs Community Foundation (a subsidiary). The Club controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of the subsidiary are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All inter-company balances and transactions, income and expenses and profits and losses, have been eliminated in full on consolidation. The subsidiary is consolidated from the date on which control is transferred to the group and is de-recognised from the date that control ceases.

**FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Revenue

Sale of goods

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

AFL Distribution and prize money

AFL distributions and prize money revenue is recognised as it is received in the year to which it relates.

Membership and match day revenue

Membership income is recognised in the relevant AFL season to which it relates. Membership income received in advance that relates to future years is recorded as an income received in advance liability and recognised as revenue in the years to which it relates. Match day revenue is recognised at the conclusion of each AFL home game.

Sponsorship

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

Donations

Revenue from donations is recognised when received.

Gaming and function revenue

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

Grants

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

Rental

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

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

(g) Income tax

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

(h) Inventories

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



**FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments

Classification

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

Non-derivative financial instruments

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

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

Loans and receivables

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

Financial liabilities

Financial liabilities include trade payables, other creditors, loans from third parties and loans from or other amounts due to director-related entities. Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation. Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(j) Property, plant and equipment

Cost

Each class of property, plant and equipment is carried at historical cost less accumulated depreciation and any accumulated impairment losses. All acquisitions of property, plant and equipment are recorded at cost.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

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

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

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment (continued)

Impairment

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

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

(k) Intangible assets

Goodwill

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

Gaming Entitlements

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

Lease acquisition costs

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

Impairment

Goodwill and intangible assets not yet ready for use and intangible assets that have an indefinite useful life are not subject to amortisation and are therefore tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to dispose and value in use.

(l) Provisions

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

(m) Leases

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

Operating leases

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

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



**FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits

(i) Short-term employee benefit obligations

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

(ii) Long-term employee benefit obligations

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

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

(o) Goods and services tax (GST)

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

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

(p) Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where applicable.

(q) Non-current assets held for sale

The Club classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less to dispose (recoverable amount).

The criteria for held for sale is regarded as met only when a sale transaction is highly probable, the asset is available for immediate sale and management of the Club are committed to a plan to sell the asset within a 12 month period.

**FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Impairment of intangible assets - Goodwill

Assessments of impairment are based on value in use calculations. These calculations are based on projected cash flows approved by management. Management's determination of cash flow projections are based on past performance and its expectation for the future.

Key Assumptions used in discounted cash flows are:

Inflation rate	2.5%
Discount rate	15%

The projected cash flows have been based on actual Net Machine Revenue ("NMR") for the year ended 31 October 2017 and incorporates management's assumptions for future growth.

(b) Impairment of gaming entitlements

All gaming entitlements are currently in use at the clubs gaming venues. Therefore no impairment is required to be recorded for the current period.



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

NOTE 4: REVENUE AND OTHER INCOME

	2017 \$	2016 \$
Revenue from operating activities		
AFL sourced income	16,575,940	11,228,488
AFL - Club Future Fund	-	3,840,000
Gate receipts/match returns	1,856,728	2,109,250
Communications	825	41,542
Business Development	10,544,220	9,684,219
Membership	8,469,489	6,412,414
Hospitality	7,061,232	6,693,851
Events and fundraising	1,433,377	3,533,649
Consumer products	2,537,563	2,659,877
Community services	1,634,207	1,073,762
Other income	1,471,887	919,924
Other revenue	359,004	220,042
	51,944,472	48,417,018

NOTE 5: EXPENSES

	2017 \$	2016 \$
Depreciation	1,473,522	1,225,515
Amortisation	300,444	240,864
Bad debts	-	1,636
Impairment losses – Gaming entitlements	-	1,867,784
Employee benefits	26,382,208	25,871,394
Interest expense	163,230	292,005
Rental expense on operating leases	425,591	226,805

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

	2017	2016
	\$	\$
Compensation received by key management personnel of the Club	1,895,334	1,713,948

Key management personnel are defined to include the Board of Directors, Chief Executive Officer, Chief Operating Officer, Chief Commercial Officer, Chief Marketing Officer, Director of Football and General Manager, Football. The person holding the position of General Manager, Football changed during the period however the remuneration benefits of the office largely remained the same.

Whilst defined as key management personnel, the Directors volunteer their time and services to the Club and are not remunerated.

NOTE 7: CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash on hand	88,985	119,496
Cash at bank	3,546,860	6,213,891
Cash on deposit	291,261	639,666
	3,927,106	6,973,053

NOTE 8: RECEIVABLES

	2017	2016
CURRENT	\$	\$
Trade debtors	1,793,242	2,036,788
Other receivables	74,733	144,752
	1,867,975	2,181,540

Impairment of trade receivables

Trade receivables are non-interest bearing with 30 day terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment loss has been recognised in the current period (2016: \$1,636).

NOTE 9: INVENTORIES

	2017	2016
CURRENT	\$	\$
Bulldogs Shop Merchandise	202,985	250,081
Food and liquor	27,425	21,989
	230,410	272,070
Write downs of inventories to net realisable value recognised as an expense during the year	34,409	-



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

NOTE 10: OTHER ASSETS

	2017	2016
	\$	\$
CURRENT		
Prepayments	128,737	83,939

NOTE 11: ASSETS HELD FOR SALE

	2017	2016
	\$	\$
<i>Assets held for sale</i>		
Gaming entitlements reclassified at cost	-	2,192,284
Impairment charge	-	(1,867,784)
Closing balance	-	324,500

During the year the Club completed the sale of 65 gaming entitlements that were originally acquired for the Edgewater development that did not proceed. A gain on sale of \$24,505 has been recognised in the current period.

NOTE 12: INTANGIBLE ASSETS

	2017	2016
	\$	\$
Goodwill at cost	937,996	735,493
Accumulated impairment losses	(20,571)	(20,571)
	917,425	714,922
Gaming Entitlements at cost	2,717,022	2,717,023
Accumulated amortisation	(1,290,404)	(993,231)
	1,426,618	1,723,792
Lease acquisition costs	80,000	80,000
Accumulated amortisation	(64,576)	(61,306)
	15,424	18,694
Total intangible assets	2,359,467	2,457,408

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

NOTE 12: INTANGIBLE ASSETS (CONTINUED)

(a) *Reconciliations*

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

	2017 \$	2016 \$
<i>Goodwill at cost</i>		
Opening balance	714,922	714,922
Acquisition of Barkers Cafe	202,503	-
Closing balance	917,425	714,922

The Club acquired Barkers Café on 18 May 2017 for \$250,106, also acquiring Food & Beverage Inventory and Plant & Equipment of \$47,603. As a result goodwill on acquisition of the Café was \$202,503. The transaction involved a related party as described in Note 19.

<i>Gaming Entitlements</i>		
Opening balance	1,723,792	4,156,942
Additions	-	-
Amortisation expense	(297,174)	(240,866)
Reclassification as asset held for sale	-	(2,192,284)
Closing balance	1,426,618	1,723,792

<i>Lease acquisition costs</i>		
Opening balance	18,694	21,964
Amortisation expense	(3,270)	(3,270)
Closing balance	15,424	18,694



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
<i>Land and buildings</i>		
At cost	542,695	542,695
Accumulated depreciation	(93,299)	(79,731)
	449,396	462,964
<i>Whitten Oval and Leasehold Improvements</i>		
At cost	33,846,936	33,526,305
Accumulated depreciation	(6,959,965)	(5,870,074)
	26,886,971	27,656,231
<i>Plant and equipment</i>		
At cost	5,618,648	5,104,595
Accumulated depreciation	(3,778,310)	(3,408,247)
	1,840,338	1,696,348
Total property, plant and equipment	29,176,705	29,815,543

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year:

	2017	2016
	\$	\$
<i>Land and buildings</i>		
Opening carrying amount	462,964	476,531
Depreciation expense	(13,568)	(13,567)
Closing carrying amount	449,396	462,964
<i>Whitten Oval and leasehold improvements</i>		
Opening carrying amount	27,656,231	27,744,663
Additions	320,631	766,585
Disposals	-	-
Depreciation expense	(1,089,891)	(855,017)
Amounts written off	-	-
Closing carrying amount	26,886,971	27,656,231

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

NOTE 13: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations (continued)

	2017 \$	2016 \$
<i>Plant and equipment</i>		
Opening carrying amount	1,696,348	1,959,957
Additions	514,053	93,322
Depreciation expense	(370,063)	(356,931)
Closing carrying amount	1,840,338	1,696,348
<i>Total property, plant and equipment</i>		
Carrying amount at 1 November	29,815,543	30,181,151
Additions	834,684	859,907
Disposals/amounts written off	-	-
Depreciation expense	(1,473,522)	(1,225,515)
Carrying amount at 31 October	29,176,705	29,815,543

NOTE 14: PAYABLES

	2017 \$	2016 \$
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	4,531,834	5,372,010
Other payable	707,625	734,655
Sundry creditors and accrued expenses	1,666,818	1,688,220
Payable for gaming machine entitlements	-	824,740
	6,906,277	8,619,625



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

NOTE 15: BORROWINGS

	2017 \$	2016 \$
CURRENT		
<i>Secured liabilities</i>		
Advance facility	-	498,000
Commercial bill	-	-
Other loan	-	-
	<u>-</u>	<u>498,000</u>
NON CURRENT		
<i>Secured liabilities</i>		
Advance facility	-	948,153
Commercial bill	-	2,650,000
Other loan	-	-
	<u>-</u>	<u>3,598,153</u>

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

The club has an unused Multi-Option Credit Line facility of \$4,550,000 with Westpac Banking Corporation that is due to expire on 31 October 2019 and includes an overdraft facility, which is repayable on demand.

NOTE 16: PROVISIONS

	2017 \$	2016 \$
CURRENT		
Employee benefits	732,722	700,984
NON CURRENT		
Employee benefits	387,235	194,963
	<u>1,119,957</u>	<u>895,947</u>

NOTE 17: OTHER LIABILITIES

	2017 \$	2016 \$
CURRENT		
Income in Advance	<u>1,953,967</u>	<u>2,429,179</u>

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

NOTE 18: RETAINED EARNINGS

	2017	2016
	\$	\$
Retained earnings at beginning of year	26,067,149	24,293,915
Net profit	1,643,050	1,773,234
	<u>27,710,199</u>	<u>26,067,149</u>

NOTE 19: RELATED PARTY TRANSACTIONS

The Club has related party relationships with its key management personnel and their associated entities.

Each key management personnel is a fully paid up member of the Club and from time to time may purchase tickets to Club matches, events and functions at normal member rates.

Key management personnel may also provide commercial services, sponsorships, donations and other financial or in-kind assistance to the Club. The following related party relationships existed during the year ended 31 October 2017:

Peter Gordon:

- Director of Gordon Legal and Comprehensive Legal Funding
- Director of SpiritWest Foundation (resigned in November 2017)
- A related party relationship exists with Barkers Café, which transacted during the year with the Club for the purchase of food and beverages from the café in addition to the Club leasing floor space at the Whitten Oval to the proprietor

Mark Evans (appointed 4 July 2016):

- Director of Normanby Capital

Gary Kent:

- Director of SpiritWest Foundation (appointed 23 November 2016)

The terms and conditions of all related party transactions were at commercial market rates, no more favourable than those available, or which might reasonably be expected to be available on an arm's length basis.

The following related party transactions occurred during the year which were in addition to the normal commercial services, sponsorships or donations which occur from time to time.

- During the year Peter Gordon (Director and Club President) and his wife Kerri O'Toole accessed players, staff and records of the Club in connection with the production of a commemorative photo book chronicling the Club's 2016 premiership season. The photo book was not produced for public sale but was gifted to the Club for allocation to players, staff, significant contributors to the Club and their families. The Club did not bear any of the \$50,000 in cost associated with the commemorative book.



FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

NOTE 19: RELATED PARTY TRANSACTIONS (CONTINUED)

- During the year Whooshka Productions and Peter Gordon were granted access to the players, staff and facilities of the Club in connection with the production of a film regarding the Club's 2016 premiership season ("Outsiders"). In return the Club is to receive any net profits resulting from the film's sale and distribution. The Club did not receive any contributed profits during the year. The Club is not a party to the film or any transactions associated with its production, sale or distribution. Peter Gordon also underwrote the costs of production to an amount of \$230,000 and has also provided a guarantee to the Club that it would not bear any net cost associated with the film.
- Gordon Legal, a company wholly owned by Peter Gordon entered into the inaugural major funding of the Club's Daughters of the West program for a total value of \$200,000.
- During the year Barker's Café was acquired by the Club for \$250,000 from a related party through association with Peter Gordon (Director and Club President), his wife Kerri O'Toole. The business valuation was performed by Normanby Capital, a related party through association with Mark Evans (Director of the Club and of Normanby Capital). The valuation report was prepared and signed by a party other than Mark Evans. Normanby Capital provided the valuation services on a pro-bono basis.

There have been no other related party transactions with key management personnel

NOTE 20: COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

(a) Whitten Oval Redevelopment

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

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

Total amounts payable at 31 October 2017 in the event of termination are \$3,618,664 for the premises contribution and \$525,000 for the fit-out contribution.

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

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

	2017	2016
	\$	\$
Not later than one year	339,738	364,303
Later than one year but not later than five years	1,359,204	963,765
Later than five years	825,000	900,000
	2,523,942	2,228,068

FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

NOTE 20: COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

(c) Gaming Machine Commitments

The Club has gaming machines in place at two venues; Club Leeds and The Peninsula Club.

In accordance with the Gaming Service Agreement with Tabcorp, the Club has commitments for the maintenance and operational support for each machine until 2022.

	2017	2016
	\$	\$
Not later than one year	695,143	695,143
Later than one year but not later than five years	2,635,828	2,782,475
Later than five years	-	548,496
	<u>3,330,971</u>	<u>4,026,114</u>

(d) Player Payments

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

NOTE 21: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, Footscray Football Club Limited trading as Western Bulldogs, financial statements:

(a) Summarised statement of financial position

	2017	2016
	\$	\$
Assets		
Current assets	5,581,077	9,401,455
Non-current assets	31,536,172	32,272,951
Total assets	<u>37,117,249</u>	<u>41,674,406</u>
Liabilities		
Current liabilities	9,312,199	12,092,672
Non-current liabilities	381,403	3,790,200
Total liabilities	<u>9,693,602</u>	<u>15,882,872</u>
Net assets	<u>27,423,647</u>	<u>25,791,534</u>
Equity		
Retained earnings	27,423,647	25,791,534
Total equity	<u>27,423,647</u>	<u>25,791,534</u>



**FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

NOTE 21: PARENT ENTITY DETAILS (CONTINUED)

(b) Summarised statement of comprehensive income

	2017	2016
	\$	\$
Profit for the year	1,637,798	1,988,903
Total comprehensive income for the year	1,637,798	1,988,903

NOTE 22: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 October 2017 that has significantly affected or may significantly affect:

- (a) The operations, in financial years subsequent to 31 October 2017, of the group, or
- (b) The results of those operations, or
- (c) The state of affairs, in financial years subsequent to 31 October 2017, of the group.

NOTE 23: MEMBERS' GUARANTEE

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

NOTE 24: ENTITY DETAILS

The registered office of the group is:

Footscray Football Club Limited trading as Western Bulldogs
417 Barkly St
Footscray VIC 3011

**FOOTSCRAY FOOTBALL CLUB LIMITED TRADING AS WESTERN BULLDOGS AND CONTROLLED ENTITY
ABN 68 005 226 595**

DIRECTORS' DECLARATION

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 13 - 35, are in accordance with the Corporations Act 2001: and
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position of the consolidated entity as at 31 October 2017 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

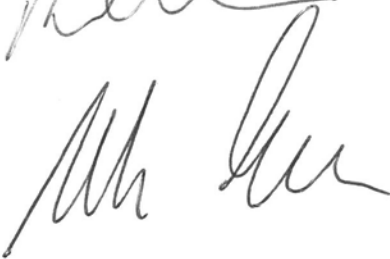
This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Peter Gordon

Director:



Mark Evans

Dated this 12th day of December 2017

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

Opinion

We have audited the financial report of Footscray Football Club Limited (the Company) and its subsidiary (collectively the Group), which comprises the consolidated statement of financial position as at 31 October 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 October 2017 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

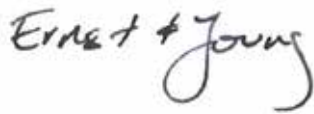
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Ashley Butler
Partner
Melbourne
12 December 2017



