



**annual report**  
2010

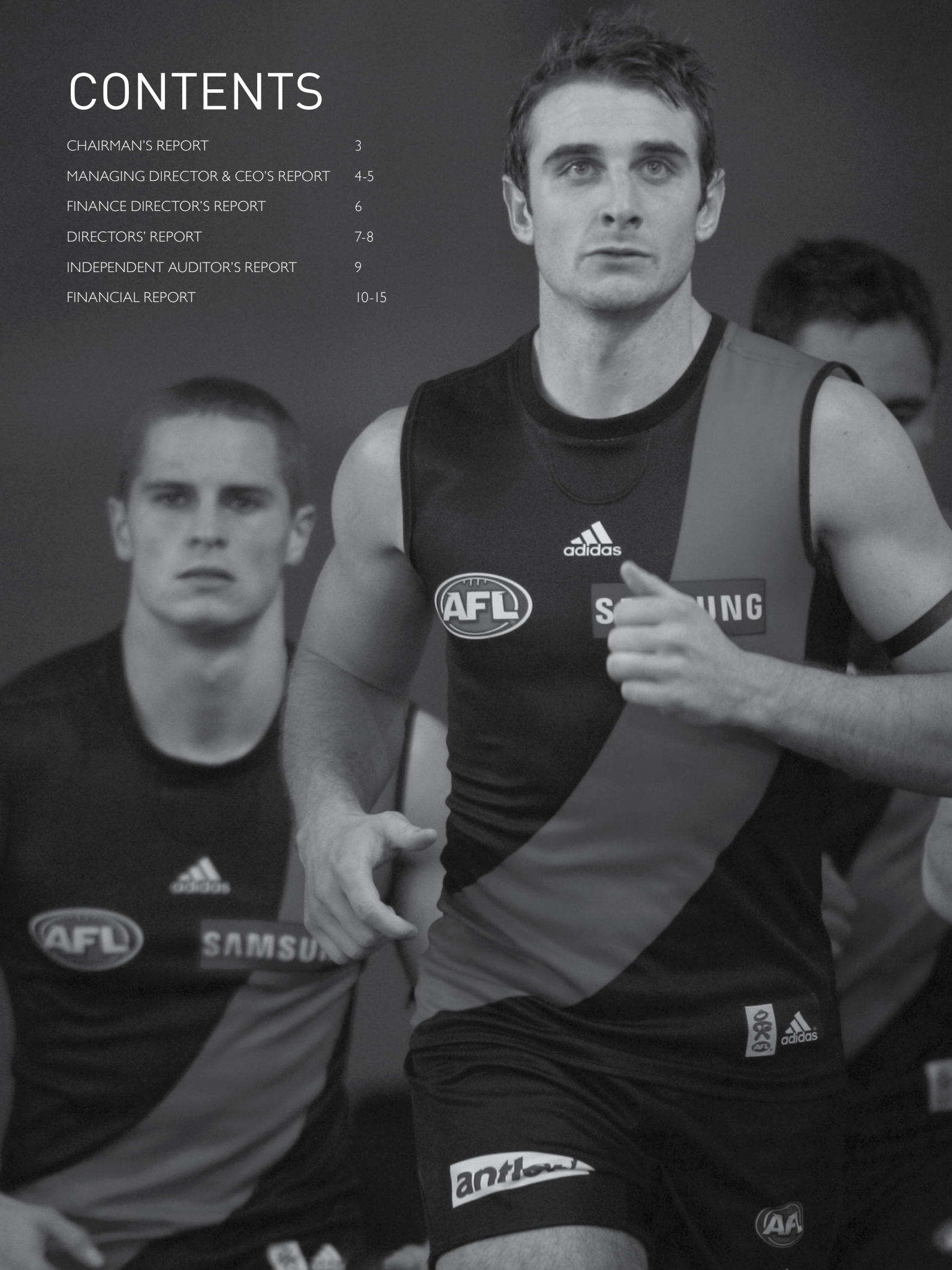


Major Partner



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# CHAIRMAN'S REPORT



There is no doubt 2010 has been one of the most challenging in recent years for the Essendon Football Club.

Despite our best efforts we were unable to reach our goal of playing finals and as a club, we did not make the necessary progress we needed to.

As a result, significant and important changes have already taken place over the pre-season to give our players the best possible opportunity for success in the future.

Right now, we have slipped behind our rivals and have a lot of hard work ahead of us to bridge the gap.

Importantly though, we have a clear vision for the future and a thorough understanding of the necessary steps needed to achieve the ultimate success.

With every challenge is an even bigger opportunity and make no mistake we will stop at nothing in pursuit of our 17th Premiership.

Much has already been said about the appointment of James Hird as our Senior Coach in 2011.

James has a vision to teach, develop and improve our young and exciting playing group and the time has come for everyone involved with the Essendon Football Club to stand as one and unite behind our team.

Naturally, the recruitment of James creates an undeniable air of optimism and expectation about the future.

However, it is important to remember our immediate focus is the improvement of our list and the development of our list. Success will come but it is going to take time and a lot of hard work.

As a member you can support this vision for the club by re-signing and encouraging others to do so too. Your club needs you more than ever and every single Bomber fan has a role to play.

As a club, the board and management in recent months have done everything possible to ensure James has the appropriate support around him.

In doing so, we have endeavoured to assemble the best possible coaching group and broader football department in the competition.

The new panel boasts former Adelaide captain Simon Goodwin, Essendon Premiership players Sean Wellman and Dean Wallis, as well as experienced Geelong assistant Brendan McCartney as Assistant Coaches and is further bolstered by the recent appointment of three-time Premiership player and two-time Premiership coach Mark Thompson. Furthermore Danny Corcoran has returned to the Club in the newly created role of People and Development Manager.

From an on-field perspective, the foundations are already in place for significant improvement next season.

The emergence of youngsters Travis Colyer, Ben Howlett and Jake Melksham combined with rapid development of Michael Hurley, Tayte Pears, Scott Gumbleton and Cale Hooker is exciting to say the least.

I'm delighted that veteran Dustin Fletcher has decided to play on for another year and look forward to watching our captain Jobe Watson once again lead from the front.

From an off-field perspective, the funding and development of a new, elite training facility for the Essendon Football Club is high on the agenda. This is a critical decision for our future but one that will be made with a view of ensuring future generations of Essendon fans, players, coaches and administrators are given the very best chance to compete in the tough landscape of AFL football.

With this in mind, the board is exploring a dual vision for the future. This is likely to require our administration and training facility to be located away from our spiritual home at Windy Hill, but be assured our commitment to maintaining our culture and presence at Windy Hill will be sustained. With the introduction of free agency and an increased importance being placed on player development and preparation, we have to give our players the best football facility available to compete.

In 2010 we had the unpleasant task of parting ways with Matthew Knights, and I would like to take this opportunity on behalf of the Essendon Football Club to pay tribute to Matthew, as well as assistant coaches Gary O'Donnell, Ashley Prescott, Alan Richardson, Adrian Hickmott and Scott Camporeale for their hard work and commitment, and wish them all the best for the future. I must also acknowledge the important contributions of all the volunteers who work in and around the football team throughout what is a very long season, particularly the trainers and the crucial role they play in supporting the medical team.

I also want to thank Jarrod Atkinson, Christian Bock, Jason Laycock, Marcus Marigliani, Jay Neagle, Michael Still, Tyson Slattery, Bachar Houli and John Williams, who were delisted at the end of the season.

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**"AS A MEMBER YOU CAN SUPPORT THIS VISION FOR THE CLUB BY RE-SIGNING AND ENCOURAGING OTHERS TO DO SO TOO."**

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I want to thank the Club coterie groups including the Coleman Club, Essendonians, Diamond Dons, Lawdons, Red & Blacks, Dick Reynolds Club, Essendon Women's Network, Hutchison Club and the Coaches Club.

This Club has great and loyal support and I would like to recognise the commitment of Major Partner Samsung and commercial partners, adidas, Bendigo Bank, HOSTPLUS, Yakult, Antler, Red Energy, Mitchelton Wines, Bombersbet.com.au (Betezy), Musashi, Coca-Cola Amatil, Herald Sun and DESA Australia.

Thanks also to all of our corporate partners, player sponsors and the social marketing committee. Your support is much appreciated and vital in keeping Essendon great.

It would be remiss of me not to acknowledge Beverly Knight for 17 years of wonderful service, passion and commitment to the Essendon Football Club.

In particular, her ongoing support and sponsorship of Indigenous footballers has helped shape Essendon's strong commitment to Indigenous communities.

Beverly revolutionised the role of women in AFL football and will always be remembered for becoming the first female to sit on an AFL club board.

I would like to extend my thanks CEO Ian Robson and all of the staff at the Essendon Football Club.

I want to thank them all for their dedication and professional work. Any club or business is only as good as the people and we are very fortunate to have a committed and passionate staff.

And finally, I would like to thank the heart and soul of our football club, the members and fans for your continued support of this great club.

Now, more than ever, it is important we maintain and grow our membership base and we need our supporters to remain loyal.

In 2011 we all need to Stand as One – Proud. United. Excited.

David Evans  
Chairman  
Essendon Football Club



# MANAGING DIRECTOR & CEO'S REPORT



I am pleased to be able to present my report for my first full year as Chief Executive of the Essendon Football Club after what has been a year of challenges both on and off-field.

There can never be any doubt that the one thing that we all crave is on-field success and on that criteria alone, after a very encouraging mid-season spell of victories, the 2010 season will go

down as a disappointment. In particular, the last month of the season saw declining crowds as our supporters voted with their feet in response to a dramatic decline in our on-field fortunes. At that time, the most precious commodity for the future - hope, was seen to be a long way out of reach.

Things can change very quickly though and since the end of the 2010 home and away season the Club has undergone a significant period of change with the appointment of an entirely new coaching panel and revamped football department.

Changes such as the decision to terminate the contract of former coach Matthew Knights are not easy but are made with the view to ultimately better position the Club to cope with the competitive industry that is AFL football.

As I said earlier, ultimately our core business is winning Premierships and the Club believes that the changes that have been made give us the best chance of achieving our goal. I would like to add my thanks and appreciation to those also expressed by our Chairman David Evans to Matthew and his coaching panel in 2010 for the passion, commitment and hard work they delivered. Ultimately their legacy will be measured by the growth of a whole host of exciting young players who debuted during Matthew's time at the Club as Senior Coach.

During the course of this year a number of long term business decisions have had to be made which have adversely affected our financial performance and as a result we reported a loss of \$1,528,682 in 2010. Whilst it is of course greatly disappointing to report a loss, it is worth noting that prior to the deduction of all non-cash items such as depreciation the Club generated a trading cash surplus of \$1,250,688.

As mentioned earlier, a sustained run of poor on-field results in the second half of the season led to a dramatic drop in game-day attendances and all related match-day revenue streams. Trading at both of the Club's venues has also been very difficult, which has been consistent with broader industry trends. These underlying operating circumstances were further exacerbated with the financial impact of the decision to implement a new coaching model, including the payout in full of Matthew Knights' contract, and accelerated depreciation charges related to IT systems development.

The short term off-field financial challenge is to ensure that the Club is once again profitable in 2011.

Despite recording the loss detailed earlier, the Club's trading cash remains sound at over \$1.3 million and, with total assets of \$25.3 million, our net asset position remains strong at \$20.7 million. In short, the Club remains well placed from a financial perspective.

Whilst reporting a year-on-year increase on returns from the Club's commercial partners, there is much to do to further secure our trading position in future years. I would like to add my thanks to those of Chairman David Evans in acknowledging all of our commercial partners and in particular our Major Partner, Samsung and new partners Bendigo Bank and HOSTPLUS.

The support of our members will be more critical than ever in 2011 if we are to ensure that the Club remains a benchmark in the competition.

This season, while appreciative of all who were part of our final membership tally of 42,700, this outcome was below our expectations. In casting an eye to the future of an evermore competitive AFL landscape - we are now only 18 months away from an 18-team competition - it is clear that we must strive to reach 50,000 members and beyond.

From a football perspective, the first statement of intent for the 2011 season and beyond was made with the appointment of James Hird as Senior Coach. I would like to take this opportunity to thank former Club champion Scott Lucas, and General Manager Football Operations Paul Hamilton for their assistance through the selection process.

Confirmation of the return to Windy Hill of James Hird was quickly followed by the appointments of assistant coaches Dean Wallis, Simon Goodwin, Brendan McCartney and Sean Wellman.

These appointments to the coaching group were further reinforced with the appointment of Danny Corcoran in the new role of People and Development Manager. Among other key roles, Danny will oversee a revamped Jack Jones Development Academy which will benefit immensely from the appointment of Shannon Grant and Hayden Skipworth to full-time positions.

The exciting news of the return of three-time Premiership player Mark Thompson to the Club completes the post-season rebuilding of the coaching group - a coaching group that we believe will quickly establish itself as the best in the competition.

With the 2011 pre-season now underway, we are under no illusions about the job at hand and just how much hard work we have in front of us. This will be a critical off-season as the players respond to the new coaching regime and approach while also focusing on heightened levels of fitness and skill.

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**"THE CLUB'S STRONG AND ENDURING COMMITMENT TO OUR COMMUNITY IS NO BETTER DEMONSTRATED THAN BY THE \$100,000 DISTRIBUTED TO OUR 11 LOCAL AFFILIATE CLUBS..."**

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The evenness of the AFL competition further underlines the challenge we confront. Other clubs will be thinking the same as us. Nobody will make it easy for us, it is all down to our collective ability to work hard together as we leave no stone unturned in our relentless pursuit of Premiership success.

As a club, we are also continuing to work hard in developing our community programs and improving them to ensure we make a real difference to the people we reach through them.

Our partnership with the Cancer Council of Victoria was one of the highlights of our community activities in 2010. The Call to Arms campaign successfully raised in excess of \$600,000 for this most important cause. We look forward to further consolidating this program in 2011.

The Long Walk partnership continued to grow with a record attendance at this year's event. Michael Long was a champion on the field and he is a champion for his people off it and we are only too pleased to support The Long Walk through this partnership and look forward to helping to drive its growth.

This partnership is part of our increased commitment to Indigenous programs - programs that need the support of committed and caring organisations. Essendon received such support from DESA Australia and I would like to take this opportunity to sincerely thank DESA Australia for their important support.

Our multicultural programs continue to evolve and will be further bolstered by the appointment of a full-time resource which has been funded by the Victorian Government Respect Agenda to implement the Club's GLoBall



initiative. We are grateful for the partnership support of Cricket Victoria and welcome and thank new partner iPrimus.

Our youth and education programs continue to expand, led by our On the Ball program which we run in conjunction with the Bill Hutchison Foundation. The Foundation is – and will continue to be – an important community partner of the Club and I thank those people who have supported the foundation and its harm prevention initiatives.

The Club's strong and enduring commitment to our community is no better demonstrated than by the \$100,000 distributed to our 11 local affiliate clubs through the Windy Hill Venue business. This brings the contribution to these clubs to in excess of \$1.9 million since this business was merged with the Club.

I would also like to acknowledge the magnificent support shown by our coterie groups – both match-day and non match-day – through the many ups and downs of the 2010 season. Thank you to the members of the Coleman Club and the members of our Coaches Club for your ongoing support. Thank you also to the Essendonians and President Rob Harwood. They are a coterie who have a long and proud relationship with the Club and we look forward to your continued support in 2011. Thank you also to the Diamond Dons and Chairman Stephen Day who works tirelessly to ensure the success of this coterie.

Our non match-day coterie members continue to provide integral support to this Club to ensure its growth. Thanks to the Dick Reynolds Club and Chairman Bruce Heymanson. Bruce is a great Essendon person and I thank him for his continued energy and passion for the Bombers. The Essendon Women's Network continues to flourish – this year under the guidance of Helen Pryor and her committee. Thank you to the Lawdons and Chairman Tony Howard, the Red & Blacks and the Hutchison Club.

To all our coterie members, rest assured your contribution to this Club is never underestimated.

Thank you to Chairman David Evans and all directors for their support to myself and the entire Club throughout the year. Each director is a volunteer and gives freely of their time in the hope that they can grow this Club and provide a sustainable future to ensure its ongoing success.

I would also like to thank the executive and administrative staff of the Club who have worked tirelessly throughout the year. We have said goodbye to a number of long-serving staff members in recent times and we are of course grateful for their contributions. The excitement created by all the new starts is cascading right throughout the Club as we attack the challenges of the 2011 pre-season with energy and positivity.

I, like you, am looking forward with great anticipation to the 2011 season. We are under no illusion that there is still much hard work to be done - both on and off the field - but I am confident that along with the wonderful support of our members and supporters we are well placed to take on the challenge. It is time for us all to Stand as One – Proud. United. Excited.

See you at the football in 2011.

Ian Robson  
Essendon Football Club  
Managing Director & CEO





# FINANCE DIRECTOR'S REPORT

On behalf of the Board I present the Financial Report of the Club for the year ended 31 October 2010.

## TRADING RESULTS

The Club has reported an operating loss of \$1,528,682 for the year ended 31 October 2010, which is a most disappointing result. However, it should be noted that non cash depreciation and amortisation charges amounted to \$2,382,005 and therefore the Club's cash earnings were positive to the extent of approximately \$853,000.

Some factors can be highlighted as contributing to the accounting loss, namely:

- Football expenditure for the year increased by approximately \$2,515,000 with this figure including the payout of the head coach's contract, but also reflecting a major increase in resources being devoted to the football department.
- As our on-field performance progressively disappointed during the year, there was a significant decline in a number of revenue streams such as gate takings and merchandise sales.
- Contribution from our entertainment/gaming venues declined by approximately \$505,000. Reasons for this decline involve steps taken by Government to reduce the level of gambling (which we support), and a reduction in the promotion of venues by the master licence holder arising from their licence not being renewed by the Victorian Government.

## FINANCIAL POSITION

The Club generated trading cash of \$1,250,688 for the year from its operations after movements in working capital and adding back non-cash depreciation and amortisation charges. We also added to our available cash by realising investments of \$300,653. Cash was used for capital purchases of plant and equipment totalling \$1,176,254, plus the payment of the deposits on our new gaming licences of \$219,721.

The end result of all our activities was an increase in cash available of \$176,493 with a cash balance at the end of the financial year of \$2,169,524, including trust funds of \$865,740.

Also on the positive side was the independent valuation of our freehold properties that resulted in a further valuation increase of \$540,000.

At year end the net assets of the Club were recorded as \$20,654,842.

Overall the financial position of the Club at balance date was sound but we would like it to be stronger.

## LOOKING AHEAD

The year ahead will be the most demanding financially faced by the Club for over a decade. There has been a further major commitment of resources to our football department and it will need all our members, supporters and stakeholders to rally around and support us financially, thereby ensuring we remain financially strong.



TIM JONAS  
Finance Director  
Essendon Football Club



# DIRECTORS' REPORT - YEAR END 31 OCTOBER 2010

Your directors submit their report on the Company for the financial year ended 31 October 2010.

## I. DIRECTORS

The names of the directors in office at any time during or since the end of the year are:

J. Albert	T. Jonas
G. Brown	B. Knight
K. Egan	P. Pryor
D. Evans	I. Robson (appointed 13/11/09)
R. Horsburgh	B. Teal (resigned 21/12/09)
D. Jackson	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## 2. PRINCIPAL ACTIVITY

The principal activity of the Company during the course of the financial year was to conduct the Essendon Football Club and manage its affairs and to promote the Australian game of football, and there was no significant change in the nature of that activity during the financial year.

## 3. OBJECTIVES AND STRATEGIES OF THE COMPANY

The Company's short term (2011) objectives are to:

- invest in a high quality, success-focussed football program led by newly appointed Senior Coach James Hird
- focus on the recruitment, improvement and development of our young playing list driven through knowledge, learning and innovation
- return to a trading profit to ensure the continuing financial strength of the Club
- take our membership base to 50,000 and beyond
- drive sustainable outcomes to maintain the Club's position as a leader in the community
- grow the level of football-driven commercial returns with our corporate and venue partners
- value and engage with our members, supporters, coterie groups and all other key stakeholders

The Company's long term (2012-2015) objectives are to:

- maintain and enhance levels of investment in the football program to deliver Premiership success
- deliver ongoing and enhanced profitability to further strengthen the Club's financial position
- grow our membership base to 60,000 and beyond
- maximise the returns from existing non-football related business investments whilst seeking other new complementary business opportunities
- increase the number of collaborative partnerships delivering sustainable outcomes in the community
- deliver a best practice administration and training facility that is adaptable to change for future generations
- remain an industry leader

To achieve these objectives the Company has adopted the following strategies:

- Innovate and invest in talented people and high quality operational facilities
- Preserve and grow the Essendon culture
- Employ and retain the best people
- Never put the Club at financial risk

## 4. OPERATING RESULT

For the year ended 31 October 2010 the Company had an operating loss of \$1,528,682 (2009 profit: \$760,894)

## 5. MEETINGS OF DIRECTORS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors during the financial year are:

NAME OF DIRECTOR	DIRECTORS' MEETINGS		AUDIT COMMITTEE		CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
J. Albert	15	15	2	2	4	3
G. Brown	15	14	-	-	4	2
K. Egan	15	13	-	-	-	-
D. Evans	15	15	2	2	4	4
R. Horsburgh	15	14	-	-	-	-
D. Jackson	15	12	-	-	4	3
T. Jonas	15	15	2	2	4	4
B. Knight	15	14	1	1	4	4
P. Pryor	15	15	1	-	-	-
I. Robson	15	15	-	2	-	-
B. Teal	2	2	1	1	-	-

## 6. INFORMATION ON CURRENT DIRECTORS

D. Evans	Board 2006-10	Chairman Board of Directors Member Audit Committee Member Corporate Governance & Nominations Committee
J. Albert	Board 2009-10	Member Audit Committee Member Corporate Governance & Nominations Committee
G. Brown	Life Member Senior Player 1963-69 Board 2007-10	Member Corporate Governance & Nominations Committee
K. Egan	Life Member Senior Player 1963-69 Board 1996-10	
R. Horsburgh	Board 2003-10	
D. Jackson	Board 2005-10	Deputy Chairman Member Corporate Governance & Nominations Committee
T. Jonas	Life Member Board 1997-10	Finance Director Chairman Audit Committee Member Corporate Governance & Nominations Committee
B. Knight	Life Member Board 1994-10	Chair Corporate Governance & Nominations Committee
P. Pryor	Board 2008-10	Member Audit Committee
I. Robson	Board 2009-10	Managing Director & CEO



**7. AUDITOR INDEPENDENCE**

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- The nature of all non-audit services is reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 31 October 2010:

	\$
Taxation services	6,950
Non statutory attestation services	47,073
	<u>54,023</u>



**Auditor's Independence Declaration**

An independence declaration has been provided by the Company's auditor, Grant Thornton. This is set out on page 8 of this financial report.

**8. MEMBERS' GUARANTEE**

The Company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company. At 31 October 2010 the number of members was 42,700 (2009: 42,239).

Signed in accordance with a resolution of the Board of Directors.

	
D. Evans Director	T. Jonas Director

Signed this 11th day of November, 2010.

The directors of the Company declare that:

- (1) the financial statements and notes, as set out on pages 10 to 15, are in accordance with the Corporations Act 2001:
  - (i) comply with Accounting Standards; and
  - (ii) give a true and fair view of the financial position as at 31 October 2010 and of the performance for the year ended on that date of the Company.
- (2) in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

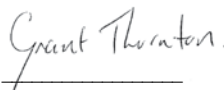
	
D. Evans Director	T. Jonas Director

Signed this 11th day of November, 2010.

**Auditor's Independence Declaration  
To the Directors of Essendon Football Club Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Essendon Football Club Limited for the year ended 31 October 2010, I declare that, 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.

	
GRANT THORNTON Chartered Accountants	D.A. ASHMORE Partner

Dated this 11th day of November 2010 Melbourne, Australia



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**Independent Auditor's Report  
To the Members of the Essendon Football Club Limited**

**Independent Auditor's Report  
To the Members of Essendon Football Club Limited**

We have audited the accompanying financial report of Essendon Football Club Limited (the "Company"), which comprises the statement of financial position as at 31 October 2010, and the statement of comprehensive income, statement of changes in members funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial report and the directors' declaration of the company.

**Directors responsibility for the financial report**

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements 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 are 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 which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

**Electronic presentation of audited financial report**

This auditor's report relates to the financial report of Essendon Football Club Limited and controlled entities for the year ended 31 October 2010 that may be included on Essendon Football Club Limited's website. The auditor's report refers only to that financial report and it does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report.

**Independence**

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

**Auditor's opinion**

In our opinion:

- a) the financial report of Essendon Football Club Limited is in accordance with the Corporations Act 2001, including:
  - i) giving a true and fair view of the Company's financial position as at 31 October 2010 and of its performance for the year ended on that date; and
  - ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

GRANT THORNTON  
Chartered Accountants

D. A. ASHMORE  
Partner

Melbourne, 11 November 2010



## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2010

	Note	2010 \$	2009 \$
Revenues from ordinary activities	3(a)	44,871,229	41,335,463
Expenses from ordinary activities	3(b)	(46,399,911)	(40,574,569)
<b>Net profit from ordinary activities</b>		<u>(1,528,682)</u>	<u>760,894</u>
<b>Other comprehensive income</b>			
Gains/(losses) on revaluation of available-for-sale financial assets		(7,668)	7,668
Gains on property revaluation		540,000	185,000
Net asset contribution arising from merger with Melton Country Club		-	2,095,440
<b>Other comprehensive income for year</b>		<u>532,332</u>	<u>2,288,108</u>
<b>Total comprehensive income for the year</b>		<u>(996,350)</u>	<u>3,049,002</u>

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2010

	Note	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	13	2,169,524	1,993,031
Trade and other receivables	4	2,362,909	3,624,622
Inventories	5	817,528	588,325
Other	6	296,347	379,084
<b>TOTAL CURRENT ASSETS</b>		<u>5,646,308</u>	<u>6,585,062</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	19,441,718	20,135,718
Intangibles	9	219,721	-
Financial assets	7	-	360,755
<b>TOTAL NON-CURRENT ASSETS</b>		<u>19,661,439</u>	<u>20,496,473</u>
<b>TOTAL ASSETS</b>		<u>25,307,747</u>	<u>27,081,535</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	2,356,102	3,059,098
Employee benefits	11	628,917	630,583
Income in advance	12	1,377,208	1,476,583
<b>TOTAL CURRENT LIABILITIES</b>		<u>4,362,227</u>	<u>5,166,264</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	11	290,678	264,079
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>290,678</u>	<u>264,079</u>
<b>TOTAL LIABILITIES</b>		<u>4,652,905</u>	<u>5,430,343</u>
<b>NET ASSETS</b>		<u>20,654,842</u>	<u>21,651,192</u>
<b>MEMBERS FUNDS</b>			
Accumulated funds		18,157,342	19,686,024
Financial assets reserve		-	7,668
Asset revaluation reserve		2,497,500	1,957,500
<b>TOTAL MEMBERS FUNDS</b>		<u>20,654,842</u>	<u>21,651,192</u>

## STATEMENT OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 31 OCTOBER 2010

	Asset Revaluation Reserve \$	Accumulated Funds \$	Financial Asset Reserve \$	Members Funds \$
Balance at 31 October 2008	<u>1,772,500</u>	<u>16,829,689</u>	<u>-</u>	<u>18,602,189</u>
Total comprehensive income for the year	185,000	2,856,335	7,668	3,049,003
Balance at 31 October 2009	<u>1,957,500</u>	<u>19,686,024</u>	<u>7,668</u>	<u>21,651,192</u>
Total comprehensive income for the year	540,000	(1,528,682)	(7,668)	(996,350)
Balance at 31 October 2010	<u>2,497,500</u>	<u>18,157,342</u>	<u>-</u>	<u>20,654,842</u>

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2010

	Note	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members, Sponsors, Supporters and Other Operations		45,986,635	40,021,182
Payments to Suppliers, Employees and Players		(44,842,435)	(37,280,483)
Interest Received		106,488	108,455
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	13(b)	<u>1,250,688</u>	<u>2,849,154</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of investments		300,653	588,040
Dividends received		21,127	-
Payment for purchase of investments		-	(353,087)
Payment for purchase of property, plant and equipment		(1,176,254)	(4,754,968)
Payment for purchase of intangibles		(219,721)	-
Net proceeds from merger of Melton Country Club		-	1,704,544
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<u>(1,074,195)</u>	<u>(2,815,471)</u>
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
		-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u>176,493</u>	<u>33,683</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<u>1,993,031</u>	<u>1,959,348</u>
<b>CASH AT END OF THE FINANCIAL YEAR</b>	13(a)	<u>2,169,524</u>	<u>1,993,031</u>

The accompanying notes form part of these financial statements.



## I. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The Essendon Football Club is an unlisted public company limited by guarantee and incorporated and domiciled in Australia. The Financial Report of Essendon Football Club was authorised for issue by the directors on 11th November 2010.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgements and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data. Actual results may differ from these estimates.

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

### (a) Adoption of new and revised accounting standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

Significant effects on current, prior or future periods arising from the first-time application of the standards in respect of presentation, recognition and measurement of accounts are described in the following note.

#### Adoption of AASB 101 Presentation of Financial Statements (revisions), AASB 2007-8 and 2007-10 Amendments arising from the revisions to AASB 101

The Essendon Football Club has adopted the revisions to AASB 101 Presentation of Financial Statements in these financial statements which has resulted in the introduction of the statement of comprehensive income, changes to the statement of changes in equity, and other terminology changes.

#### Adoption of AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendment to Australian Accounting Standards arising from Reduced Disclosure Requirements

The Essendon Football Club has adopted the new Australian Accounting Standard - Reduced Disclosure Requirements in these financial statements which has resulted in a significant reduction in disclosures compared to those required under full AASB disclosure requirements applicable in prior years.

### (b) Inventories

Inventories are measured at the lower of cost and net realisable value. Periodically, the directors will assess inventory balances for impairment. Where any indication of impairment exists inventory is written down to the lower of cost or net realisable value.

### (c) Financial Instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

#### *Financial Assets at fair value through the statement of comprehensive income*

A financial asset is classified in this category if acquired principally for the purpose of

selling in the short term or if so designated by management within the requirements of AASB 139 Financial Instruments: Recognition and Measurement. These assets are initially measured at fair value upon acquisition and subsequently measured at fair value by reference to market price at balance date. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

#### *Available-for-sale financial assets*

A financial assets classified in this category are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. The Company's available-for-sale financial assets include shares held in ASX Listed companies. Gains and losses arising from these financial assets are recognised directly to equity within the Financial Asset Reserve.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the statement of comprehensive income. Losses recognised in the statement of comprehensive income on the financial assets are not reversed through the statement of comprehensive income, but charged to equity.

Dividends from the shares held in the ASX Listed companies are recognised in the statement of comprehensive income when the Company's right to receive the payment is established.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets. Trade and other receivables of the company fall into this category.

#### *Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Trade and other payables of the company fall into this category.

#### *Impairment of financial assets*

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

### (d) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or at independent or directors' valuation, less, where applicable, any accumulated depreciation or amortisation and impairment losses.

#### *Land*

Freehold land is shown at fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on an annual valuation by external independent valuers. Land is not depreciated.

#### *Plant and Equipment/Leasehold Improvements*

Plant and equipment and leasehold improvements are measured at cost less depreciation and impairment losses.

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

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

#### **Class of Fixed Assets Depreciation Rate**

Leasehold Improvements	4.2% - 10%
Plant & Equipment	10% - 33.3%



An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### (e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

#### (f) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

#### (g) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year (benefits arising from wages and salaries and annual leave) have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Probabilities have been applied in the calculation of Long Service Leave entitlements in order to estimate the likelihood of an employee remaining with the Company until they are entitled to Long Service Leave. These probabilities are based on historical trends and patterns.

Contributions are made by the Company to complying superannuation funds and are charged as expenses when incurred.

#### (h) Income Received in Advance

Income is brought to account in the period in which it relates. Income received prior to 31 October 2010 which relates to future periods, has been recorded as income received in advance.

#### (i) Income Tax

Income Tax has not been provided for in the accounts of the Company, as the Company is an exempt sporting organisation in accordance with Section 50-45 of the Income Tax Assessment Act.

#### (j) Football expenses

Football expenses include football department related costs including total player payments, coaching and support staff remuneration, recruiting costs and costs in respect of our affiliation with VFL club, Bendigo Bombers.

In the 2010 financial year the costs include the full payment of future contractual obligations in respect of the termination of the senior coach contract.

Player acquisition costs are written off in the year they are incurred as uncertainty exists as to the term over which the benefit will be received.

#### (k) Revenue

Revenue is measured as the fair value of the consideration received/receivable. All amounts are net of returns, discounts, allowances and rebates.

Revenue is recognised when the amount can be reliably measured and it is probable that the future economic benefits will flow to the Club and the following additional criteria have been met:

Revenue from the sale of goods is recognised upon the delivery of goods to customers which is the date of the transfer of risks.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

#### (l) Goods and Services Tax (GST)

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

Cash flows are included in the statement of cashflows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

#### (m) Business Combination

The Windy Hill Fitness Centre is a business owned by the company but it is independently managed under a management agreement. The Company includes the revenue and expenses of the business in the statement of comprehensive income and the net amount owing by the manager in the statement of financial position.

#### (n) Leases

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Company are classified as operating leases.

Payments made under operating leases are recognised in the statement of comprehensive income on a straight line basis over the term of the lease.

#### (o) Intangible Assets

##### 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. The useful lives of intangible assets can be either finite or indefinite. The gaming entitlements will be amortised over 10 years from 1 July 2012.

Gaming Entitlements are currently representative of a deposit for an intangible asset with a finite useful life of 10 years commencing 1 July 2012.

## 2. ESSENDON FOOTBALL CLUB LIMITED

Essendon Football Club Limited ("Club") is an Australian public company limited by guarantee with a registered office in Napier Street Essendon, Victoria, Australia. The liability of each member of the company is limited to \$20.

## 3. OPERATING PROFIT FROM ORDINARY ACTIVITIES

	Note	2010	2009
		\$	\$
<b>(a) Revenue from Ordinary Activities</b>			
<b>(i) Operating revenue</b>			
AFL annual distribution		6,629,500	6,373,252
AFL Prizemonies		-	145,000
Marketing revenues		14,162,806	11,237,916
Membership revenues		6,944,097	6,446,543
Merchandise - sale of goods		2,057,929	2,320,019
Match receipts		884,650	1,121,892
Windy Hill Fitness Centre		3,919,667	3,812,739
Venues - sale of goods		5,296,146	4,377,522
- other		4,775,735	4,509,518
Total operating revenue		<u>44,670,530</u>	<u>40,344,401</u>
<b>(ii) Non-operating revenue</b>			
Government grants		112,005	505,445
Interest received		106,488	108,455
Rental income		13,513	390,515
Net gain/(loss) from investments		(31,307)	(13,353)
Total non-operating revenue		<u>200,699</u>	<u>991,062</u>
Total Revenue from Ordinary Activities		<u>44,871,229</u>	<u>41,335,463</u>



### 3. OPERATING PROFIT FROM ORDINARY ACTIVITIES (cont.)

	Note	2010 \$	2009 \$
<b>(b) Expenses from Ordinary Activities</b>			
Administration		2,310,307	2,488,030
Football expenses	1(j)	16,494,878	13,979,424
IT expenses		1,418,500	770,932
Marketing expenses		7,841,219	6,844,181
Membership expenses		2,612,463	2,183,736
Merchandise - cost of sales		1,154,872	1,312,879
Rental expenses		231,833	195,000
Site expenses		1,399,811	1,302,206
Loss on disposable assets		28,986	-
Windy Hill Fitness Centre		3,171,591	3,069,360
Venues - cost of sales		1,718,583	1,417,806
- other		8,016,868	7,011,015
<b>Total Expenses from Ordinary Activities</b>		<b>46,399,911</b>	<b>40,574,569</b>

### (c) Operating profit from Ordinary Activities

#### Charging as Expenses (Revenue):

	2010 \$	2009 \$
Depreciation of:		
- Plant and Equipment	1,275,322	569,659
Amortisation of:		
- Leasehold Improvements	1,106,683	872,695
Doubtful Debts provided for or written off	13,690	7,740
Loss on disposal of Plant and Equipment	28,986	-
Loss on disposal of current investments	-	22,886
Loss on disposal of non current investments	52,433	-
Dividend/Distribution income received on investments	(21,127)	(9,533)

### 4. TRADE AND OTHER RECEIVABLES

	2010 \$	2009 \$
Current		
Trade and Sundry Debtors	2,390,322	3,638,345
Less provision for impairments	(27,413)	(13,723)
	<u>2,362,909</u>	<u>3,624,622</u>

The carrying value of trade receivables is considered a reasonable approximation of fair values due to the short term nature of the balances.

#### Allowance for impairment of receivables

A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in administration expenses. A reconciliation of the movement in the provision for impairment at trade receivables is shown below.

	2010 \$	2009 \$
Opening balance	13,723	5,983
Additional provisions	13,690	11,733
Amounts used	-	(3,993)
<b>Total</b>	<b>27,413</b>	<b>13,723</b>
	<b>2010 \$</b>	<b>2009 \$</b>

### 5. INVENTORIES

Merchandise - at cost	741,235	489,156
Less Provision for obsolescence	(49,096)	(34,275)
Food and liquor - at cost	125,389	133,444
	<u>817,528</u>	<u>588,325</u>

### 6. OTHER ASSETS

Prepaid expenses	<u>296,347</u>	<u>379,084</u>
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### 7. FINANCIAL ASSETS

Non-current		
Available-for-sale financial asset (a)	<u>-</u>	<u>360,755</u>

(a) These financial assets consist of listed equities. The carrying amount if investments were stated at cost is \$nil (2009: \$353,087)

**8. PROPERTY, PLANT AND EQUIPMENT**

	2010	2009
	\$	\$
Land - at independent valuation (a)	4,200,000	3,660,000
	<u>4,200,000</u>	<u>3,660,000</u>
Plant and Equipment - at cost	4,863,194	4,803,488
Provision for Depreciation	(3,051,627)	(2,403,039)
	<u>1,811,567</u>	<u>2,400,449</u>
Leasehold Improvements - at cost	18,519,514	18,096,222
Provision for Amortisation	(5,089,363)	(4,020,953)
	<u>13,430,151</u>	<u>14,075,269</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u><b>19,441,718</b></u>	<u><b>20,135,718</b></u>

(a) An independent valuation of freehold land in Napier Street, Essendon, was undertaken on 25th October 2010 by P.W. Stokes FAPI FREI. The valuation was based on the current market value of the land.

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and end of the financial year:

2010	Land	Plant & Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
Beginning of the year	3,660,000	2,400,449	14,075,269	20,135,718
Additions	-	706,916	469,338	1,176,254
Disposals	-	(20,476)	(7,773)	(28,249)
Revaluations	540,000	-	-	540,000
Depreciation expense	-	(1,275,322)	(1,106,683)	(2,382,005)
End of financial year	<u>4,200,000</u>	<u>1,811,567</u>	<u>13,430,151</u>	<u>19,441,718</u>

2009	Land	Plant & Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
Beginning of the year	3,475,000	1,550,084	11,083,947	16,109,031
Additions	-	1,420,024	3,864,017	5,284,041
Revaluations	185,000	-	-	185,000
Depreciation expense	-	(569,659)	(872,695)	(1,442,354)
End of financial year	<u>3,660,000</u>	<u>2,400,449</u>	<u>14,075,269</u>	<u>20,135,718</u>

**9. INTANGIBLES**

	2010	2009
	\$	\$
Gaming licences deposit	219,721	-
Accumulated amortisation	-	-
<b>TOTAL INTANGIBLES</b>	<u><b>219,721</b></u>	<u><b>-</b></u>

2010	Gaming licences	Total
	\$	\$
Beginning of the year	-	-
Additions	219,721	219,721
	<u>219,721</u>	<u>219,721</u>

Future commitments as a result of the acquisition of these gaming licences are disclosed in note 14(b).

**10. TRADE AND OTHER PAYABLES**

	2010	2009
	\$	\$
Trade Creditors	646,943	907,242
Trade Creditors - Building Contracts	-	528,552
Accruals	1,709,159	1,623,304
	<u>2,356,102</u>	<u>3,059,098</u>

Due to the short term nature of these payable, their carrying amount is assumed to approximate their fair value.

**11. EMPLOYEE BENEFITS**

	2010	2009
	\$	\$
<b>Current</b>		
Annual Leave	600,042	606,406
Long Service Leave	28,875	24,177
	<u>628,917</u>	<u>630,583</u>
<b>Non Current</b>		
Long Service Leave	290,678	264,079

**12. INCOME RECEIVED IN ADVANCE**

	2010	2009
	\$	\$
Trading income received in advance	511,468	483,738
Government grant received in advance	865,740	992,845
	<u>1,377,208</u>	<u>1,476,583</u>

**13. NOTES TO THE STATEMENT OF CASH FLOWS****a) Reconciliation of Cash**

For the purposes of the statement of cash flows, the entity considers cash to include cash on hand, cash in banks and short term investments, net of outstanding bank overdrafts. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

	2010	2009
	\$	\$
Cash on hand	267,506	282,645
Cash at bank	156,647	698,364
Short term deposits	879,631	19,177
<b>Trading cash</b>	<u>1,303,784</u>	<u>1,000,186</u>
Short term deposits - trust account	865,740	992,845
<b>Total cash</b>	<u><b>2,169,524</b></u>	<u><b>1,993,031</b></u>

The effective interest rate on short term bank deposits was 4.1% (2009 4.4%). These deposits are on call.



### 13. NOTES TO THE STATEMENT OF CASH FLOWS (cont.)

#### b) Reconciliation of net cash from operating activities to net profit/(loss):

	2010	2009
	\$	\$
Profit/(loss) for the year	(1,528,682)	760,894
<i>Adjustments for:</i>		
Loss from disposal of fixed assets	28,249	-
Loss from disposal of current investments	-	22,886
Loss from disposal of non-current investments	52,433	-
Depreciation and amortisation	2,382,005	1,442,354
Dividends received	(21,127)	-
Dividends reinvested	-	(9,533)
<i>Changes in assets and liabilities:</i>		
Decrease/(increase) in receivables and other assets	1,330,759	(1,197,464)
Increase in provision for doubtful debts	13,691	7,740
(Increase)/decrease in inventory	(244,024)	120,056
Increase/(decrease) in provision for obsolete stock	14,821	(25,939)
(Decrease)/increase in payables and income in advance	(802,370)	1,776,492
Increase/(decrease) in provision for employee entitlements	24,933	(48,332)
	<u>1,250,688</u>	<u>2,849,154</u>

### 14. CAPITAL AND LEASING COMMITMENTS

	2010	2009
	\$	\$
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	251,000	228,167
- later than one year but not later than 5 years	1,004,000	1,004,000
- greater than 5 years	837,160	1,088,160
	<u>2,092,160</u>	<u>2,320,327</u>

Operating lease commitments relate to the lease of Windy Hill precinct and Melton land.

#### (b) Capital Expenditure Commitments

Capital expenditure contracted for at reporting date but not recognised as a liability in the accounts.

	2010	2009
	\$	\$
Payable:		
- not later than one year	-	-
- later than one year but not later than 5 years	2,850,226	-
- greater than 5 years	1,315,489	-
	<u>4,165,715</u>	<u>-</u>

Capital expenditure commitments relate to the acquisition of gaming entitlements for Windy Hill Venue and Melton Country Club which will vest with the Club in August 2012.

### 15. KEY MANAGEMENT PERSONNEL

#### Transactions with key management personnel

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

	2010	2009
	\$	\$
Short term employee benefits	1,588,952	1,221,593
Post employment benefits	98,254	132,972
	<u>1,687,206</u>	<u>1,354,565</u>

### 16. SUBSEQUENT EVENTS

No matters or circumstances have arisen between the end of the financial year and the date of this report which have, or may significantly affect the operations of the Company or the state of affairs of the Company in subsequent financial years.

### 17. RESERVES

#### Asset Revaluation Reserve

The asset revaluation reserve is used to record increase in the fair value of buildings and decreases to the extent such decreases relate to an increase on the same asset previously recognised in equity.

#### Financial Asset Reserve

The financial assets reserve records the revaluation of available for sale financial assets.

### 18. COMPANY DETAILS

The registered office and principal place of business of the Company is Napier Street, Essendon Vic 3040.



**Essendon Football Club**  
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03 9230 0300  
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