



RICHMOND FOOTBALL CLUB
FINANCIAL REPORT

31 OCTOBER 2008

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Richmond Football Club Limited ("the Club") and the entity it controlled at the end of, and during, the year ended 31 October 2008.

Directors

The names and details of the Club's Directors in office during the financial year of this report are as follows.

Gary March (President)

Gary March was appointed President in November 2005. Mr March was appointed to the board on 1 October 2002, and holds an ex officio position on all board sub-committees. Mr March is a Director of Beyond Sportswear International Ltd.

Garry Cameron PSM, B.Bus(Acc), M.Eco, FAICD, FCPA

Garry Cameron has been a Director of the company since 16 December 1999. Mr Cameron is currently a member of the Finance and Redevelopment Sub-Committees. Mr Cameron holds various company Directorships including ANZ Specialist Asset Management Ltd and ANZ Business Equity Fund Ltd.

Robert Dalton BA, FCPA, CA

Robert Dalton was appointed to the board on 9 November 2004. Mr Dalton is a member of the Audit and Risk Sub-Committee. Mr Dalton is a Senior Partner at Ernst & Young.

Tony Free

Tony Free is a Life Member and former captain of the Richmond Football Club. Mr Free was appointed as a Director on 10 June 2008.

Peggy Haines BA, JD

Peggy Haines joined the board on 12 November 2005 and is a member of the Centenary and Fundraising Sub-Committees. Ms Haines is a partner at Freehills.

Don Lord B.Com, FAICD

Don Lord has been a member of the board since 23 October 2001. Mr Lord is a member of the Finance, Fundraising and Redevelopment Sub-Committees. Mr Lord holds various company Directorships. Since year end Mr Lord has also become a Director of the Coburg Football Club.

John Matthies

John Matthies was appointed to the board on 29 January 2004. Mr Matthies is a member of the Audit and Risk and Centenary Sub-Committees. Mr Matthies holds the position of Senior Partner of law firm John Matthies & Co Solicitors.

Greg Miller

Greg Miller was appointed as a Director of the company on 22 December 2004. Mr Miller was also an employee of the Richmond Football Club and held the position Director of Football. He ceased being a Director on 20 May 2008.

Anthony Mithen

Anthony Mithen was appointed to the board on 20 April 2004. Mr Mithen is a member of the Fundraising and Centenary Sub-Committees. Mr Mithen manages a horse breeding operation and is employed as a sports broadcaster with various organisations.

Maurice O'Shannassy B.Sc

Maurice O'Shannassy has been a Director of the company since 22 December 2004. Mr O'Shannassy is a member of the Finance Sub-Committee and is also the Managing Director for Black Rock Investment Management (Australia) Ltd (formerly Merrill Lynch Investment Managers).

Principal activities

The principal continuing activity during the year of the consolidated entity constituted by the Club and the entity it controlled was the playing and promotion of Australian Rules Football. There has been no significant change in the nature of these activities during the financial year.

Consolidated results

The net profit of the consolidated entity for the year ended 31 October 2008 was \$8,010,285 (2007: \$1,031,077). This profit includes significant income from Government relating to the redevelopment of Punt Road Oval.

The profit relating to operations excluding the impact of the redevelopment and one-off items is \$394,724.

No provision for Income Tax was necessary, as the Club is an exempt sporting organisation in accordance with section 50-45 of the Income Tax Assessment Act 1997.

Dividends

The Constitution of the Club specifically prohibits the payment of any dividends to members.

Review of operations

An outline of the key events and their impact on the Club's operations during 2008 is set out in the President and Treasurer's reports.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 October 2008 that has significantly affected, or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

Likely developments and expected results

Information on the likely developments and expected results of the Club's operations are detailed in the Club's Annual Report.

Environmental regulation

The Club has assessed whether there are any particular or significant environmental regulations which apply to it and has determined that there are none.

Indemnification and insurance of Directors

The Club entered into insurance arrangements concerning all the Directors, but not the auditor, of the Club. The Club paid insurance premiums of \$9,990 in respect of a contract insuring each of the Directors against liabilities and expenses arising as a result of work performed by them to the extent permitted by law.

Proceedings on behalf of the Club

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Club, or to intervene in any proceedings to which the Club is a party, for the purpose of taking responsibility on behalf of the Club for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Club with leave of the Court under section 237 of the *Corporations Act 2001*.

Directors' meetings

The number of Directors' meetings convened and the number attended by each Director during the financial year are:

	Directors' meetings	Audit & risk	Centenary	Finance	Fundraising	Re-development
Number of meetings held:	11	4	2	4	3	4
Number of meetings attended:						
GI Cameron	10			4		4
R Dalton	11	4				
T Free	5 / 5					
PO Haines	9		2		3	
DE Lord	10			4	3	4
G March	10		2	3	2	
JG Matthies	11	4	2			
G Miller	6 / 6					
AP Mithen	9		2			
M O'Shannassy	9			4		

Committee membership

At the date of this report, the company has an Audit and Risk Sub-committee, a Finance Sub-committee and a Redevelopment Sub-committee of the Board of Directors.

Members acting on the committees of the Board during the year were:

Audit & risk	Centenary	Finance	Fundraising	Redevelopment
R Dalton (c)	JG Matthies (c)	GI Cameron (c)	PO Haines (c)	DE Lord (c)
JG Matthies	PO Haines	DE Lord	D Lord	GI Cameron
M Stahl #	A Mithen	M O'Shannassy	M Stahl #	M Stahl #
A Sloman @	M Stahl #	M Stahl #	S Wright #	S Wright #
	S Wright #	S Wright #	B Collins @	
Notes -	(c)	Designates chairman of the committee		
	@	Independent consultant and non-Director		
	#	Invited staff member and non-Director		

G March holds an ex-officio position on all Sub-Committees.

Corporate governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Richmond Football Club Limited support and have adhered to the principles of good corporate governance.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

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


GARY MARCH (Director)


GARRY CAMERON (Director)

Dated this 19th day of November 2008

RICHMOND FOOTBALL CLUB LIMITED AND CONTROLLED ENTITY
ACN 005 563 011

ANNUAL FINANCIAL REPORT – 31 OCTOBER 2008

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This financial report covers Richmond Football Club Limited as an individual entity and the consolidated entity consisting of Richmond Football Club Limited and its subsidiary. The financial report is presented in the Australian currency.

Richmond Football Club Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Richmond Football Club Limited
Punt Road Oval
Yarra Park
Richmond Victoria 3121

A description of the nature of the company's operations and its principal activities is included in the Directors' report on page 2, which is not part of this financial report.

The financial report was authorised for issue by the Directors on 19 November 2008. The company has the power to amend and reissue the financial report.

RICHMOND FOOTBALL CLUB LIMITED AND CONTROLLED ENTITY
ACN 005 563 011

INCOME STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2008

	Notes	Consolidated		Company	
		2008	2007	2008	2007
		\$	\$	\$	\$
Revenue from continuing activities	7(a)	29,631,303	27,764,370	29,561,221	27,699,046
Revenue from government grants	7(b)	10,975,000	-	10,975,000	-
Employee benefits expense		(15,102,948)	(14,284,967)	(15,102,948)	(14,284,967)
Depreciation and amortisation expense	8	(299,726)	(274,609)	(299,726)	(274,609)
Marketing and promotional expense		(3,439,263)	(2,747,491)	(3,439,263)	(2,747,491)
Materials purchases and match day hospitality	8	(1,844,746)	(1,917,256)	(1,844,746)	(1,917,256)
Administration expense		(698,695)	(572,456)	(698,695)	(572,456)
Finance costs	8	(281,988)	(332,034)	(281,988)	(332,034)
Property maintenance expense		(609,573)	(617,666)	(609,573)	(617,666)
Football support expense		(2,655,340)	(2,296,170)	(2,655,340)	(2,296,170)
Membership expense		(1,267,524)	(1,274,979)	(1,267,524)	(1,274,979)
Property lease expense	8	(1,215,893)	(1,192,653)	(1,215,893)	(1,192,653)
Other expenses		(1,820,883)	(1,223,012)	(1,750,801)	(1,157,688)
Fixed assets written off (associated with Punt Road Oval redevelopment)	8	(1,819,439)	-	(1,819,439)	-
Provision for Wantirna Club onerous lease	8	(1,540,000)	-	(1,540,000)	-
PROFIT FOR THE YEAR	25	8,010,285	1,031,077	8,010,285	1,031,077

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

RICHMOND FOOTBALL CLUB LIMITED AND CONTROLLED ENTITY
ACN 005 563 011

BALANCE SHEETS AS AT 31 OCTOBER 2008

	Notes	Consolidated		Company	
		2008	2007	2008	2007
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	9	12,413,597	1,744,465	12,413,597	1,744,465
Trade and other receivables	10	1,537,153	847,751	1,537,053	847,651
Prepayments		227,099	226,720	227,099	226,720
Inventories	11	103,455	92,004	103,455	92,004
TOTAL CURRENT ASSETS		14,281,304	2,910,940	14,281,204	2,910,840
NON CURRENT ASSETS					
Property, plant & equipment	12	4,646,348	6,698,490	4,646,348	6,698,490
Investments	13	-	-	51	51
TOTAL NON CURRENT ASSETS		4,646,348	6,698,490	4,646,399	6,698,541
TOTAL ASSETS		18,927,652	9,609,430	18,927,603	9,609,381
CURRENT LIABILITIES					
Trade and other payables	14	2,781,370	3,252,319	2,781,370	3,252,319
Borrowings	15	-	162,500	-	162,500
Provisions	16	419,152	257,658	419,152	257,658
Interest bearing liabilities	17	4,405,075	4,405,726	4,405,075	4,405,726
Income received in advance		1,007,519	589,112	1,007,519	589,112
TOTAL CURRENT LIABILITIES		8,613,116	8,667,315	8,613,116	8,667,315
NON CURRENT LIABILITIES					
Provisions	16	1,443,234	76,673	1,443,234	76,673
Interest bearing liabilities	17	12,858	17,283	12,858	17,283
TOTAL NON CURRENT LIABILITIES		1,456,092	93,956	1,456,092	93,956
TOTAL LIABILITIES		10,069,208	8,761,271	10,069,208	8,761,271
NET ASSETS / (LIABILITIES)		8,858,444	848,159	8,858,395	848,110
EQUITY					
Retained profits	25	8,858,395	848,110	8,858,395	848,110
Minority interest in controlled entities	24	49	49	-	-
TOTAL EQUITY		8,858,444	848,159	8,858,395	848,110

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

RICHMOND FOOTBALL CLUB LIMITED AND CONTROLLED ENTITY
ACN 005 563 011

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2008

	Note	Consolidated		Company	
		2008	2007	2008	2007
		\$	\$	\$	\$
Total equity at the beginning of the financial year		848,159	(182,918)	848,110	(182,967)
Profit / (loss) for the year	25	8,010,285	1,031,077	8,010,285	1,031,077
Total equity at the end of the financial year		<u>8,858,444</u>	<u>848,159</u>	<u>8,858,395</u>	<u>848,110</u>

The above statements of changes in equity should be read in conjunction with the accompanying notes.

RICHMOND FOOTBALL CLUB LIMITED AND CONTROLLED ENTITY
ACN 005 563 011

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2008

	Notes	Consolidated		Company	
		2008	2007	2008	2007
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from football operations		9,629,697	8,902,424	9,629,697	8,902,424
Receipts from marketing operations		13,463,638	12,241,068	13,463,638	12,241,068
Receipts from gaming and social operations		5,771,663	5,824,755	5,701,581	5,759,431
Payments to suppliers and employees		(29,066,764)	(25,631,792)	(28,996,882)	(25,566,468)
Interest received		295,849	64,968	295,849	64,968
Interest paid		(281,988)	(332,003)	(281,988)	(332,003)
Jack Dyer Foundation contributions		20,456	198,783	20,456	198,783
Net cash inflow / (outflow) from operating activities	18	(167,449)	1,268,203	(167,449)	1,268,203
Cash flows from investing activities					
Proceeds from sale of land and buildings		419,636	-	419,636	-
Payment for land and buildings		-	(275,876)	-	(275,876)
Payment for property, plant and equipment		(395,555)	(381,392)	(395,555)	(381,392)
Receipts from government grants		10,975,000	-	10,975,000	-
Net cash inflow / (outflow) from investing activities		10,999,081	(657,268)	10,999,081	(657,268)
Cash flows from financing activities					
Proceeds from commercial bills		1,100,000	-	1,100,000	-
Repayment of commercial bills		(1,100,000)	(500,000)	(1,100,000)	(500,000)
Proceeds from/(repayment) of borrowings		(162,500)	162,500	(162,500)	162,500
Net cash inflow / (outflow) from financing activities		(162,500)	(337,500)	(162,500)	(337,500)
Net increase/(decrease) in cash held		10,669,132	273,435	10,669,132	273,435
Cash at the beginning of the year		1,744,465	1,471,030	1,744,465	1,471,030
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9	<u>12,413,597</u>	<u>1,744,465</u>	<u>12,413,597</u>	<u>1,744,465</u>
Financing arrangements	17				

The above cash flow statements should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008

1. **Richmond Football Club**

Richmond Football Club Limited is a Company Limited by guarantee that is incorporated and domiciled in Australia. Members of the Club guarantee its liabilities to the extent of \$50 each. Richmond Football Club Limited holds a licence to play in the Australian Football League.

The principal continuing activity during the year of the consolidated entity constituted by the Club and the entity it controlled was the playing and promotion of Australian Rules Football.

2. **Summary of significant accounting policies**

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for certain assets, which as noted, have been measured at fair value. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

(b) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of Richmond Football Club Limited comply with International Financial Reporting Standards (IFRS).

(c) Economic dependency

The Richmond Football Club Limited is economically dependent on the ongoing financial assistance of the Australian Football League ("AFL"). This ongoing assistance provided by the AFL is in the form of a guarantee of up to \$5.00 million to the Westpac Banking Corporation ("WBC") as security for the current borrowing facilities. The guarantee provided is not an advance of funds, however is an acknowledgement to our financiers that the annual distributions will be received in the ordinary course of operations.

(d) Going concern

The financial report has been prepared on the basis of the Company continuing as a going concern. The company is currently net asset positive (2007: positive) and carry a surplus in current assets in comparison to its current liabilities (2007: deficient). The Company's Directors consider the going concern assumption to be an appropriate basis for the preparation of the financial report as the AFL has committed to the economic support disclosed above in note 2(c) and has stated a commitment to support the Richmond Football Club and its ongoing support for a 16 team competition. The AFL support does not however represent a guarantee or indemnity over the operations of the Club beyond the guarantees already provided. Based on these circumstances, the financial report does not include any of the adjustments that may be necessary should the Company be unable to continue as a going concern.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

2. Summary of significant accounting policies (cont'd)

(e) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the entity controlled as at 31 October 2008 by Richmond Football Club Limited ("company" or "parent entity") and the results of its controlled entity for the year then ended. The Richmond Football Club Limited and its controlled entity together is referred to in this financial report as the Group or consolidated entity. The effects of all transactions between entities are eliminated in full. Outside equity interests in the results and equity of the controlled entity are shown separately in the consolidated profit and loss statement and balance sheet respectively.

(f) Income tax

Income tax has not been provided for in the accounts as the Company is an exempt sporting organisation in accordance with Section 50-45 of the *Income Tax Assessment Act 1997*.

(g) Acquisition of assets

The cost method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

(h) Revenue recognition

Amounts disclosed as revenue are recognised for the major business activities as follows:

(i) *Jack Dyer Foundation*

Contributions to the Jack Dyer Foundation are effectively controlled by the Richmond Football Club Limited. Jack Dyer Foundation donations received by the Australian Sports Foundation prior to 31 October, however not remitted to the club until November have been taken up as accrued income.

In accordance with the requirements of the Foundation, contributions are maintained in a separate bank account and are applied solely to the development of the Club's Punt Road facilities and servicing of the associated debt.

(ii) *Income received in advance*

Income is accounted for on the basis of the period to which it relates. Income received in the year ended 31 October but relating to future accounting periods has been adjusted accordingly.

(iii) *Football, sponsorship and marketing*

Revenue is recognised in the financial year when the services for the relating season are performed. Amounts due from the Australian Football League are recognised in the financial year to which the season distribution relates.

(iv) *AFL distribution from sale of Waverly Park*

Proceeds from the sale of Waverly Park are recognised on a cash basis. For details refer to Note 26.

(v) *Government grants*

The Company has agreements with the Commonwealth of Australia, State of Victoria, AFL and other bodies in relation to the granting of funding for the redevelopment of Punt Road Oval. This funding is expected to total \$16.75 million. The Company has been advised that these payments will be conditional and subject to certain conditions. Installments of \$10.975 million have been received during the year (2007: nil). These were under the Company's control, were fully committed by year end, and there is a reasonable assurance that the Group will comply with all attached conditions. The full \$10.975 million received has been recognised at fair value and treated as revenue in the current financial year. Costs associated with the Redevelopment such as Feasibility Studies, Planning Permits and Demolition costs have been capitalised as \$128,964 (refer note 12).

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

2. Summary of significant accounting policies (cont'd)

(j) Depreciation and amortisation

Land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Club room and improvements – over 40 years
- Plant and equipment – 3 to 12 years
- Motor vehicles – 4 to 5 years
- Computer equipment – 3 to 5 years

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

Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and depreciated replacement cost.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment losses are recognised in the other expenses line of the income statement.

(k) Property, plant & equipment

Land is stated at historical cost until sold and is not depreciated. Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of fixed assets are credited, to other reserves in members' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost, is transferred from the property, plant and equipment revaluation reserve to retained earnings.

(l) Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the asset and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the consolidated entity will obtain ownership of the asset, the life of the asset.

Other operating lease payments are charged to the profit and loss account in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(m) Trade and other payables

These amounts represent liability for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid, and as shown in Note 14 includes amounts due to players. These amounts are unsecured and are normally paid within 40 days of recognition.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

2. Summary of significant accounting policies (cont'd)

(n) Maintenance and repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred.

(o) Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

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

All other employee benefit liabilities 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. In determining the present value of future cash outflows, the market yield as at reporting date on national government bonds which have terms to maturity approximating the terms of the related liability are used.

Employee benefit expenses and revenues arise in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- other types of employee benefits are recognised against profits on a net basis in their respective categories.

(p) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of 60 days or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts (refer Note 9).

(q) Borrowings and borrowing costs

Borrowings are carried at their principal amount. Borrowing costs are recognised as expenses in the period in which they are incurred and are recorded as part of other liabilities, except where they are included in the costs of qualifying assets.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharge, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings; and
- finance lease charges.

(r) Inventories

Finished goods are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimate selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

2. Summary of significant accounting policies (cont'd)

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(t) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

(u) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 October 2008 reporting periods. The Group's and parent entity's assessment of the impact of these new standards and interpretations is set out below.

(i) *AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8*

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group has not yet decided when to adopt AASB 8. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

(ii) *AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101*

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group intends to apply the revised standard from 1 November 2009.

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FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

3. Financial risk management

The Group's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risks and ageing analysis for credit risk.

Risk management is carried out by the Audit & Risk Sub-committee under policies approved by the Board of Directors. The Board provides written principles for overall risk management.

(a) Market Risk

(i) Cash flow and fair value interest rate risk

The Board of Directors meet on a regular basis and discuss and analyse financial risk exposure to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Group's main interest rate risk arises from long-term borrowings and grant contributions held in quarantine for use as part of the Punt Road redevelopment. Borrowings issued and funds deposited at variable rates expose the Group to cash flow interest rate risk. Risk minimisation is achieved by depositing financial assets only with Australian banks. All funds have been held in Westpac bank accounts during the year.

As at 31 October 2007 and 2008, the Group had the following variable interest rate exposures outstanding:

Financial Instruments - Consolidated	Weighted ave. effective interest rate		Floating interest		Non-interest bearing	
	2008	2007	2008	2007	2008	2007
	%	%	\$	\$	\$	\$
Financial Assets						
Cash and cash equivalents	5.91%	2.60%	11,976,743	1,306,701	436,854	437,764
Financial Liabilities						
Borrowings	-	-	-	-	-	162,500
Interest bearing liabilities	6.61%	6.72%	4,417,933	4,423,009	-	-

An analysis by maturities is provided in (c) below

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Group sensitivity

The Club has performed a sensitivity analysis relating to its exposure to interest rate risk as at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in risk.

As at 31 October 2008, if interest rates had increased/decreased by 100 basis points from the year end rates, with all other variables held constant, profit for the year would have been \$75,588 higher/lower (2007 – change of 100 bps: \$31,163 lower/higher), mainly as a result of higher/lower interest income from cash and cash equivalents.

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged. No sensitivity analysis has been performed for foreign exchange risk and price risk, as the Club is not exposed to fluctuations in foreign exchange.

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FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

3. Financial risk management (cont'd)

(b) Credit risk

Credit risk arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions, as well as outstanding receivables and committed transactions.

Credit risk is managed by the Club and is reviewed regularly by the Board of Directors. The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

The Club does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Club.

There are no material amounts of collateral held as security at 31 October 2008.

The trade receivables balance as at 31 October 2007 and 31 October 2008 do not include any counterparties with external credit ratings.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities. Included in note 17 is a listing of additional undrawn facilities that the Club has at its disposal to further reduce liquidity risk. The bank overdraft facility and the unsecured bill facility may be drawn at any time.

Liquidity risk tables

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet:

Maturity Analysis - Consolidated	Less than 6 months		Between 6 months and 1 year		Over 1 year	
	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$
Financial Liabilities						
Trade & other payables	2,770,834	3,226,192	10,536	26,127	-	-
Borrowings	-	-	-	162,500	-	-
Interest bearing liabilities	4,402,624	4,402,509	15,309	2,567	-	17,933

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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4. Occupancy lease and sub-lease

Richmond Football Club Limited occupies the Punt Road Oval by virtue of a sub-lease with the Richmond Cricket Club Ltd which in turn has leased the oval for 21 years from the Melbourne City Council under agreements including variations commencing 1 January 1995. Under these agreements, the Richmond Football Club Ltd bears all the costs.

5. Richmond Cricket Club Limited

The Richmond Football Club Limited owns 51% of the Richmond Cricket Club Limited and includes any surplus or deficit of the cricket operations in its results. The operations of the Cricket Club are to hold the lease of the Punt Road Oval from the Melbourne City Council, and to be an accredited member of Cricket Victoria.

6. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Onerous contract provisions

The Richmond Football Club has entered into certain contractual obligations which require consideration at each balance date. Where, in the opinion of the Directors, the contractual future expenditure payable by the Club shall exceed the income derived from the arrangement, an onerous contract provision is recognised for the estimated shortfall.

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
7. Revenue				
(a) Revenue from continuing activities				
- Football	9,629,697	8,902,424	9,629,697	8,902,424
- Sponsorship and marketing	13,463,638	12,536,068	13,463,638	12,536,068
- Gaming and social	5,771,663	6,062,127	5,701,581	5,996,803
- Interest received	295,849	64,968	295,849	64,968
- Jack Dyer Foundation contributions	470,456	198,783	470,456	198,783
Total revenue from operating activities	<u>29,631,303</u>	<u>27,764,370</u>	<u>29,561,221</u>	<u>27,699,046</u>
(b) Revenue from government grants				
- Punt Road Oval redevelopment	10,975,000	-	10,975,000	-
Total revenue	<u>40,606,303</u>	<u>27,764,370</u>	<u>40,536,221</u>	<u>27,699,046</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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8. Expenses	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Amortisation & depreciation				
- Depreciation of plant and equipment	60,977	44,045	60,977	44,045
- Depreciation of motor vehicles	8,368	10,842	8,368	10,842
- Depreciation of club room and improvements at Punt Road Oval	230,381	219,722	230,381	219,722
Total amortisation & depreciation	299,726	274,609	299,726	274,609
Auditor's remuneration				
- Audit of financial statements	40,800	37,100	40,800	37,100
Cost of goods sold				
- Materials purchases and match day hospitality	1,844,746	1,917,256	1,844,746	1,917,256
Finance costs				
- Interest paid - other corporations	281,988	332,034	281,988	332,034
Other charges against assets				
- Provision for doubtful debts	28,836	78,327	28,836	78,327
- Bad debts written off	1,164	16,674	1,164	16,674
- Jack Dyer Foundation costs	152,530	209,515	152,530	209,515
- Provision for Wantirna Club (i)	1,540,000	-	1,540,000	-
- Fixed assets written off (ii)	1,819,439	-	1,819,439	-
Total other charges expensed against assets	3,541,969	304,516	3,541,969	304,516
(i) Provision for Wantirna Club				
Details regarding the onerous contract provision are set out in note 16.				
(ii) Fixed assets written off				
During the year the Club began the redevelopment of Punt Rd. As part of this extensive redevelopment, all assets relating to the social club and grandstand have been written off as their value in use is considered to be nil.				
Rental expense relating to operating leases				
- Operating lease rental charges	1,215,893	1,192,653	1,215,893	1,192,653
Net gain/(loss) on sale of land				
- Sale of land	100,019	-	100,019	-
9. Current assets - Cash and cash equivalents				
Cash on hand and at bank	1,454,187	1,744,465	1,454,187	1,744,465
Restricted cash – government grants and interest	10,959,410	-	10,959,410	-
Total cash on hand and at bank	12,413,597	1,744,465	12,413,597	1,744,465

The cash at bank bears floating interest rates between 0.00% and 7.05% (2007: between 0.00% and 6.25%).

Restricted cash represents the government grants received as part of the Punt Road redevelopment (\$10.975m) and the interest earned on these deposits. This cash is quarantined for use exclusively towards the Punt Road redevelopment and cannot be utilised for any other purpose.

The Jack Dyer Foundation is raising funds to provide appropriate facilities for the players. These funds must be spent in accordance with the requirements of the Foundation Deed. The balance of the Jack Dyer Foundation bank account as at 31 October 2008 was \$17,090 (2007: \$6,746). This is included in the balances above.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
10. Current assets – Trade and other receivables				
Trade receivables	1,010,548	673,841	1,010,548	673,841
Provision for doubtful debts	(169,348)	(140,512)	(169,348)	(140,512)
Other receivables	695,953	314,422	695,853	314,322
	<u>1,537,153</u>	<u>847,751</u>	<u>1,537,053</u>	<u>847,651</u>

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the consolidated entity. Collateral is not normally obtained.

Bad and doubtful trade receivables

The amount of bad debts written off during the year was \$1,164 (2007: \$16,673).

(a) Impaired trade receivables

As at 31 October 2008 current trade receivables of the Group with a nominal value of \$169,348 (2007: \$140,512) were impaired. The amount of the provision was \$169,348 (2007: \$140,512).

The ageing of these receivables is as follows:

	Consolidated		Company	
	2008 (\$)	2007 (\$)	2008 (\$)	2007 (\$)
0 to 3 months	84,208	81,299	84,208	81,299
3 to 6 months	40,979	45,775	40,979	45,775
Over 6 months	44,161	13,438	44,161	13,438
Total impaired trade receivables	<u>169,348</u>	<u>140,512</u>	<u>169,348</u>	<u>140,512</u>

Movements in the provision for impairment of receivables are as follows:

	Consolidated		Company	
	2008 (\$)	2007 (\$)	2008 (\$)	2007 (\$)
At 1 November	140,512	162,185	140,512	162,185
Provision for impairment recognised during the year	30,000	30,000	30,000	30,000
Receivables written off during the year as uncollectible	(1,164)	(16,673)	(1,164)	(16,673)
Unused amount reversed	-	(35,000)	-	(35,000)
At 31 October	<u>169,348</u>	<u>140,512</u>	<u>169,348</u>	<u>140,512</u>

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

As of 31 October 2008, trade receivables of \$773,186 (2007: \$197,292) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated		Company	
	2008 (\$)	2007 (\$)	2008 (\$)	2007 (\$)
0 to 3 months	477,207	27,724	477,207	27,724
3 to 6 months	7,043	-	7,043	-
Over 6 months	288,936	169,568	288,936	169,568
Total past due but not impaired	<u>773,186</u>	<u>197,292</u>	<u>773,186</u>	<u>197,292</u>

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

10. Current assets – Trade and other receivables (cont'd)

(c) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. It is not common practice of the Group to charge interest where payment exceeds payment terms. Collateral is not normally obtained.

(d) Interest rate risk

Information about the Group's and the parent entity's exposure to interest rate risk in relation to trade and other receivables is provided in note 3.

(e) Fair value and credit risk

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

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 3 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
11. Current assets - Inventories				
Finished goods at cost	103,455	92,004	103,455	92,004

Finished goods represent souvenirs, clothing, memorabilia, food and liquor, and trading stock in relation to retail sales. During the course of the year, the value of trading stock has not been written down (2007: \$29,664).

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	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
12. Non-current assets - Property, plant & equipment				
Leasehold improvements				
- at cost	4,137,523	6,572,710	4,137,523	6,572,710
Less: Accumulated depreciation	(568,136)	(1,302,677)	(568,136)	(1,302,677)
	<u>3,569,387</u>	<u>5,270,033</u>	<u>3,569,387</u>	<u>5,270,033</u>
Furniture, fixtures & fittings				
- at cost	546,218	1,293,150	546,218	1,293,150
Less: Accumulated depreciation	(356,591)	(780,146)	(356,591)	(780,146)
	<u>189,627</u>	<u>513,004</u>	<u>189,627</u>	<u>513,004</u>
Gymnasium equipment				
- at cost	237,327	179,615	237,327	179,615
Less: Accumulated depreciation	(120,953)	(110,263)	(120,953)	(110,263)
	<u>116,374</u>	<u>69,352</u>	<u>116,374</u>	<u>69,352</u>
Motor vehicles				
- at cost	97,900	97,900	97,900	97,900
Less: Accumulated depreciation	(69,547)	(61,180)	(69,547)	(61,180)
	<u>28,353</u>	<u>36,720</u>	<u>28,353</u>	<u>36,720</u>
Computer and telecommunications equipment				
Less: Accumulated depreciation	635,894	505,919	635,894	505,919
	<u>(315,701)</u>	<u>(265,414)</u>	<u>(315,701)</u>	<u>(265,414)</u>
	<u>320,193</u>	<u>240,505</u>	<u>320,193</u>	<u>240,505</u>
Land – at cost	293,450	568,876	293,450	568,876
Costs associated with Punt Road Oval redevelopment	128,964	-	128,964	-
Total fixed assets	<u>4,646,348</u>	<u>6,698,490</u>	<u>4,646,348</u>	<u>6,698,490</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

12. Non-current assets - property, plant & equipment (cont'd)

Reconciliations

Reconciliations of the carrying amount of each class of property plant and equipment at the beginning and end of the current financial year are set out below.

2008 Consolidated	Carrying amount at 1 November \$	Additions \$	Disposals \$	Depreciation \$	Carrying amount at 31 October \$
Leasehold improvements	5,270,033	-	1,532,607	168,039	3,569,387
Furniture fixtures and fittings	513,004	25,798	286,832	62,343	189,627
Gymnasium equipment	69,352	57,712	-	10,690	116,374
Motor vehicles	36,720	-	-	8,367	28,353
Computer and telecommunications equipment	240,505	129,975	-	50,287	320,193
Land	568,876	53,105	328,531	-	293,450
Punt Road Oval redevelopment	-	128,964	-	-	128,964
Total fixed assets	6,698,490	395,554	2,147,970	299,726	4,646,348

2008 Company	Carrying amount at 1 November \$	Additions \$	Disposals \$	Depreciation \$	Carrying amount at 31 October \$
Leasehold improvements	5,270,033	-	1,532,607	168,039	3,569,387
Furniture fixtures and fittings	513,004	25,798	286,832	62,343	189,627
Gymnasium equipment	69,352	57,712	-	10,690	116,374
Motor vehicles	36,720	-	-	8,367	28,353
Computer and telecommunications equipment	240,505	129,975	-	50,287	320,193
Land	568,876	53,105	328,531	-	293,450
Punt Road Oval redevelopment	-	128,864	-	-	128,964
Total fixed assets	6,698,490	395,554	2,147,970	299,726	4,646,348

Consolidated		Company	
2008	2007	2008	2007
\$	\$	\$	\$
-	-	51	51
-	-	51	51

13. Non-current assets - Investments

Investment in controlled entity (refer note 23)

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	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
14. Current liabilities – Trade and other payables				
Trade creditors	1,824,908	2,089,734	1,824,908	2,089,734
Players and football staff	823,280	1,023,197	823,280	1,023,197
Other liabilities	133,182	139,388	133,182	139,388
	<u>2,781,370</u>	<u>3,252,319</u>	<u>2,781,370</u>	<u>3,252,319</u>
15. Borrowings				
Non-interest bearing loan to be repaid within 12 months	-	162,500	-	162,500
	<u>-</u>	<u>162,500</u>	<u>-</u>	<u>162,500</u>
16. Provisions				
<i>Employee entitlements – Current</i>				
Annual leave	240,780	236,321	240,780	236,321
Long service leave	34,212	21,337	34,212	21,337
	<u>274,992</u>	<u>257,658</u>	<u>274,992</u>	<u>257,658</u>
<i>Employee entitlements – Non-current</i>				
Long service leave	47,394	76,673	47,394	76,673
	<u>47,394</u>	<u>76,673</u>	<u>47,394</u>	<u>76,673</u>
Total employee entitlements	<u>322,386</u>	<u>334,331</u>	<u>322,386</u>	<u>334,331</u>
<i>Other provisions - Current</i>				
Onerous contracts	144,160	-	144,160	-
	<u>144,160</u>	<u>-</u>	<u>144,160</u>	<u>-</u>
<i>Other provisions – Non-Current</i>				
Onerous contracts	1,395,840	-	1,395,840	-
	<u>1,395,840</u>	<u>-</u>	<u>1,395,840</u>	<u>-</u>
Total other provisions	<u>1,540,000</u>	<u>-</u>	<u>1,540,000</u>	<u>-</u>

An onerous contract provision has been recognised for the first time in the current year relating to the Wantirna Club. The provision represents the present value of future rental losses in excess of income derived for the remaining life of the Wantirna Club lease which is due to expire on 6 May 2018.

17. Interest bearing liabilities				
<i>Current – Secured</i>				
Lease liabilities (note 19)	5,075	5,726	5,075	5,726
Commercial bill facility	4,400,000	4,400,000	4,400,000	4,400,000
	<u>4,405,075</u>	<u>4,405,726</u>	<u>4,405,075</u>	<u>4,405,726</u>
<i>Non-current – Secured</i>				
Lease liabilities (note 19)	12,858	17,283	12,858	17,283
	<u>12,858</u>	<u>17,283</u>	<u>12,858</u>	<u>17,283</u>
Total interest bearing liabilities	<u>4,417,933</u>	<u>4,423,009</u>	<u>4,417,933</u>	<u>4,423,009</u>

Commercial bill facility

The company has drawn down on Commercial Bills of \$4,400,00. The bills roll over every 60 days on a continuing basis. Interest is payable on roll over. The current floating interest rate is 6.55%.

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FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

17. Interest bearing liabilities (cont'd)

Assets pledged as security

Lease liabilities are secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

Westpac Banking Corporation Limited holds an effective first registered company charge over all the assets and undertakings of the Richmond Football Club Limited. The charge over the assets and undertakings also extends over the two gaming venues – Royal Oak and Wantirna Club.

Interest rate risk exposure

Refer to note 3 – Financial instruments.

Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
<u>Credit standby arrangements</u>				
Total facilities				
Bank overdraft	-	500,000	-	500,000
Secured commercial bill facility	5,000,000	4,650,000	5,000,000	4,650,000
	<u>5,000,000</u>	<u>5,150,000</u>	<u>5,000,000</u>	<u>5,150,000</u>
Used at balance date				
Bank overdraft	-	-	-	-
Secured commercial bill facility	4,400,000	4,400,000	4,400,000	4,400,000
	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>
Unused at balance date				
Bank overdraft	-	500,000	-	500,000
Secured commercial bill facility	600,000	250,000	600,000	250,000
	<u>600,000</u>	<u>750,000</u>	<u>600,000</u>	<u>750,000</u>

18. Reconciliation of operating profit to net cash inflow / (outflow) from operating activities

Net profit/loss for the year	8,010,285	1,031,077	8,010,285	1,031,077
Non-cash flows in operating profit				
Depreciation and amortisation of non-current assets	299,726	274,609	299,726	274,609
Provision for doubtful debts (net)	28,836	78,327	28,836	78,327
Receipt of land	-	(299,352)	-	(299,352)
Net gain on sale of land	(100,019)	-	(100,019)	-
Write-off of fixed assets	1,819,439	-	1,819,439	-
Government grants received	(10,975,000)	-	(10,975,000)	-
Changes in assets and liabilities				
(Increase)/decrease in trade receivables	(336,707)	(32,007)	(336,707)	(32,007)
(Increase)/decrease in other assets	(377,692)	355,935	(377,692)	355,935
(Increase)/decrease in prepayments	(379)	12,467	(379)	12,467
(Increase)/decrease in inventories	(11,451)	18,343	(11,451)	18,343
Increase/(decrease) in income in advance	418,407	154,073	418,407	154,073
Increase/(decrease) in payables & accruals	(470,949)	(461,655)	(470,949)	(461,655)
(Decrease)/increase in provisions	1,528,055	136,386	1,528,055	136,386
Net cash inflow / (outflow) from operating activities	<u>(167,449)</u>	<u>1,268,203</u>	<u>(167,449)</u>	<u>1,268,203</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
19. Commitments for expenditure				
(a) Operating lease commitments				
Future non-cancelable operating lease rentals of plant and equipment, not provided for in the financial statements and payable:				
- Not later than one year	1,282,607	1,238,455	1,282,607	1,238,455
- Later than one year but not later than 2 years	1,109,916	1,279,644	1,109,916	1,279,644
- Later than 2 years but not later than 5 years	2,835,252	2,958,216	2,835,252	2,958,216
- Later than 5 years	4,590,315	5,542,124	4,590,315	5,542,124
	<u>9,818,090</u>	<u>11,018,439</u>	<u>9,818,090</u>	<u>11,018,439</u>

The operating lease commitments represent the Club's future obligations under its existing leases of the Wantirna Club, the Royal Oak, and Punt Road Oval. The amount attributed to such commitments assumes that the leases will continue to exist in the normal course of operations through until their expiration.

(b) Remuneration commitments				
Commitment for the payment of salaries and other remuneration				
- Within one year	8,551,800	8,289,738	8,551,800	8,289,738
- Later than one year but not later than 2 years	4,670,000	3,751,900	4,670,000	3,751,900
- Later than 2 years but not later than 5 years	1,020,000	530,000	1,020,000	530,000
	<u>13,561,800</u>	<u>12,571,638</u>	<u>13,561,800</u>	<u>12,571,638</u>
(c) Other commitments				
Commitment for payment of other contracts				
- Within one year	330,000	280,000	330,000	280,000
- Later than one year but not later than 2 years	-	-	-	-
- Later than 2 years but not later than 5 years	-	-	-	-
	<u>330,000</u>	<u>280,000</u>	<u>330,000</u>	<u>280,000</u>

- (d) Finance leases
The company leases motor vehicles under finance leases expiring within three years. Under the terms of the leases, the company has the option to acquire the leased assets for 30% of their agreed fair value on expiry of the leases.

Commitments in relation to finance leases are payable as follows:

- Within one year	6,145	6,337	6,145	6,337
- Later than one year but not later than five years	12,486	18,301	12,486	18,301
Minimum lease payments	<u>18,631</u>	<u>24,638</u>	<u>18,631</u>	<u>24,638</u>
- less future finance charges	(698)	(1,629)	(698)	(1,629)
Recognised as liability	<u>17,933</u>	<u>23,009</u>	<u>17,933</u>	<u>23,009</u>

The weighted average interest rate implicit in the leases is 9.50%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
20. Auditor's remuneration				
Amounts received or due and receivable by PricewaterhouseCoopers for:				
An audit or review of the financial report of the company	40,800	37,100	40,800	37,100

Non-audit services are approved by resolution of the Audit and Risk Committee and approval is provided in writing to the board of Directors. Non-audit services provided by the auditors of the consolidated entity during the year, PricewaterhouseCoopers, are detailed above. The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

21. Related party transactions

(a) Directors

The following persons were Directors of Richmond Football Club Limited during the financial year:

- (i) *President*
Gary March
- (ii) *Directors*
Garry Cameron
Robert Dalton
Peggy Haines
Tony Free (appointed 10 June 2008)
Don Lord
John Matthies
Greg Miller (resigned 20 May 2008)
Anthony Mithen
Maurice O'Shannassy

(b) Key management personnel compensation

Directors are not remunerated for their position as a Director of the company. However, Greg Miller as well as being a Director held the salaried position of Director of Football until 25 July 2008, for which he received compensation. Greg Miller resigned from his position as Director on 20 May 2008. In addition, other key management personnel include the Chief Executive Officer and his direct reports. In 2008 short-term employee benefits set out below include one additional employee and the termination benefits paid to Greg Miller.

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Short-term employee benefits	1,421,446	1,189,114	1,421,446	1,189,114

(c) Other transactions with key management personnel or entities related to them

Information on transactions with key management personnel or entities related to them, other than compensation, are set out below:

- (i) *Loans*
No loans were made to key management personnel or their related entities during the financial year.
- (ii) *Transactions and balances*
The Group did not engage in any transactions, or hold any balances, with any related entities during the financial year.

(d) Subsidiary

The interest in subsidiary is set out in note 13.

(e) Transactions with related parties

Other than those mentioned above, there were no other transactions with any related parties during the year ended 31 October 2008. Further, there were no outstanding balances from or to related parties at this date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2008 (CONT'D)

22. Segment information

The Company operates in the sporting and leisure industry in Australia and its predominant activity is to field a football team in the Australian Football League.

23. Controlled entity

	Country of incorporation	% owned		Investment at cost	
		2008	2007	2008	2007
				\$	\$
Richmond Cricket Club Limited	Aust	51%	51%	51	51
		<u>51%</u>	<u>51%</u>	<u>51</u>	<u>51</u>

Richmond Football Club Limited is the parent entity within the consolidated entity comprising the company and the entity disclosed above.

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
24. Minority interest in controlled entity				
Share capital	49	49	-	-
	<u>49</u>	<u>49</u>	<u>-</u>	<u>-</u>
25. Retained profits / (accumulated losses)				
Retained profits / (accumulated losses) at the beginning of the financial year	848,110	(182,967)	848,110	(182,967)
Net profit / (loss) attributable to members of Richmond Football Club Limited	<u>8,010,285</u>	<u>1,031,077</u>	<u>8,010,285</u>	<u>1,031,077</u>
Retained profits / (accumulated losses) at the end of the financial year	<u>8,858,395</u>	<u>848,110</u>	<u>8,858,395</u>	<u>848,110</u>

26. AFL distribution from sale of Waverley Park

Following the sale of Waverley Park to Mirvac, the AFL advised the Club that it would receive \$2 million from the sale proceeds. The sales proceeds were paid in a series of installments each October in the years 2002 to 2008. The final payment was received during the year ended 31 October 2008.

27. Contingent assets and contingent liabilities

Contingent assets

As part of the proposed redevelopment of Punt Road Oval, the Richmond Football Club has received commitments for funding from a number of parties totalling a further \$5.775m. It is expected that these funds shall be received and utilised throughout the 2009 and 2010 financial years.

Contingent liabilities

Mr Ben Holland has issued proceedings against the Club in the Supreme Court of Victoria. The proceedings are in respect of matters pertaining to his contractual arrangements with the club in 2001 and he is seeking damages of \$530,000.

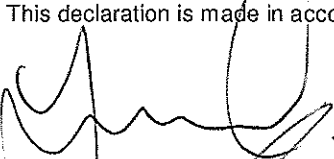
The Club is very confident of successfully defending this matter and has not provided for this amount.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 27 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 31 October 2008 and of its performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date; and
- (b) 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 Directors.



GARY MARCH
President



GARRY CAMERON
Director

Melbourne
19 November 2008

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

Report on the financial report

We have audited the accompanying financial report of Richmond Football Club Limited (the company), which comprises the balance sheet as at 31 October 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Richmond Football Club Limited and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

**Independent auditor's report to the members of
Richmond Football Club Limited (continued)**

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

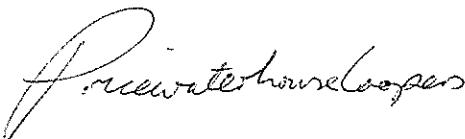
Independence

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 Richmond Football Club Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 October 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements, parent entity financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.



PricewaterhouseCoopers



Chris Dodd
Partner

Melbourne
19 November 2008

Auditor's Independence Declaration

As lead auditor for the audit of Richmond Football Club Ltd for the year ended 31 October 2008, 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.

This declaration is in respect of Richmond Football Club Limited and the entities it controlled during the period.



Chris Dodd
Partner
PricewaterhouseCoopers

Melbourne
19 November 2008