

On behalf of the Board I have great pleasure in presenting the financial report of the club for the year ended 31 October 2012.

## FINANCIAL RESULTS

The club has reported an operating profit of \$3,017,742 for the year ended 31 October 2012 (2011: \$2,752,801). After adjusting for non cash depreciation and amortisation charges of \$918,249, the clubs cash earnings for the year were \$3,935,991. In what has been a sustained difficult economic environment, this financial result is outstanding, and a result that all stakeholders should be proud of.

The club has now recorded profits for the past eight consecutive years and this year's result reflects the strength in our core trading activities.

Despite a lack of on field success, the results over the last eight years reflect a strong vision, excellent management execution, and the strength and loyalty of our supporter base, which is the envy of the AFL competition.

Some of the key highlights which have contributed to our strong revenue and profit growth include the following:

- Record membership revenue of \$5.305m (2011: \$4.473m) representing 53,072 members (2011: 47,902)
- Record sponsorship income of \$3.452m (2011: \$2.768m)
- Significant improvement in our operations at the Wantirna Club
- Merchandise Income of \$610,000 (2011: \$417,000)
- Fundraising Income of \$1.675m (2011: \$1.516m)

The club now boasts a sustainable, profitable operating model with an outstanding team of executives and staff and we are very optimistic about the future possibilities given the strong base which has been built over the last few years.

## FINANCIAL POSITION

The board has continued to communicate to members a clear direction to create a sustainable financial position for the club. This has meant a responsible financial program of debt repayment whilst at the same time continuing to invest in football operations. The Board and Management are clear that the strategy is enabling us to bridge the gap with other clubs and provide the best opportunity for on field success. In 2012 we have taken a huge step forward in achieving our objective of eliminating our core debt and improving our net asset position.

As at 31 October 2012:

- The club has a Net Asset Position of \$19,065,807 (2011: \$16,048,065). In 2005 our financial statements reflected the Club had a Net Asset Deficiency of \$704,000. This has been an amazing effort by so many people to secure the financial future of the Richmond Football Club.
- 2012 also saw the Clubs debt reduce from \$3.5m in 2011 to \$1.97m Debt reduction has been a significant focus for the Board, and we have now seen external debt reduce from over \$5m in 2006 to \$1.97m in 2012. With a strong on field performance in 2013, the Board and Management are confident we will again make strong in roads into further debt reduction.
- It is also important to note that our short term payables and creditors are covered by our liquid assets such as cash and receivables, demonstrating that our working capital management is strong.

In 2010 the Club launched a Strategic Plan covering a five year period (2010 to 2014). Significantly we are achieving the financial goals stated within this plan as they related to the 2010 to 2012 financial years.

This year, the collective efforts of many Richmond people have also enabled the Club to reconstruct our Punt Road Oval playing surface. This project once completed will be a significant advantage in the preparation of players.

This year's net profit result again reaffirms the Board and management's commitment to our financial plans, and the governance principles that were established to support our operations.

I would like to thank everyone who has contributed to this result through membership, donations, purchasing merchandise and through the Fighting Tiger Fund. There is still a long way to go, and I look forward to all Richmond people continuing to join together in 2013 and ensuring our financial future and success.

**Rob Dalton**  
Finance Director