2011 ANNUAL REPORT

FOR THE YEAR ENDING 31 OCTOBER 2011

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PRESIDENT'S REPORT

INTRODUCTION

2011 was a demanding year for the St Kilda Football Club both on and off the football field. As the industry continues rapid transition, the need to continue to modernise our business has never been more apparent.

The Board and Management recognise that, despite the Club reaching two grand finals in the last 3 years, we continue to face many challenges and are working to address them.

We have been fortunate to experience a sustained period of on-field success. While we have made significant progress, the requirement for ongoing change, innovation and improvement in all areas of our business is vital and remains our key focus.

We need to look to new ways to grow our revenue so that we can not only survive but thrive in a competitive environment that is changing at an unprecedented rate; something we are actively planning for and pursuing with real purpose.

Our financial base needs to be strengthened to provide greater stability and long term certainty. We also need to become more engaged with our Members and are encouraged by the strength of recent progress in this area.

The financial performance of our Club for 2011 was disappointing as our income was compromised by a number of factors including our stadium revenue and a decline in sponsorship support.

Our vision and passion to build the St Kilda Football Club into a 'power club' is unwavering. We want to build a Club that attracts the best playing and commercial talent; also a Club that is highly regarded by its Members and the broader community for its competitive spirit, commercial standing, values and citizenship.

THE FINANCIAL PERFORMANCE FOR THE 2011 YEAR

The Club has recorded a disappointing operating loss before depreciation of $1,500,772 for 2011. The operating loss after depreciation is $2,274,220. The Club's total Statutory reporting result is a loss of $1,271,149.

The main areas of financial shortfall year on year have been in Stadium revenue and income from sponsorship and events; further detail of which is provided later in this report.

On a more positive note, a deliberate and constructive approach to AFL Future Fund negotiations has delivered very positive outcomes for the Club, particularly in achieving recognition of the financial inequity of the Etihad Stadium deal. The funding outcomes agreed with the AFL for the next three years are in excess of $2m per annum, go some way to bridging the large advantage non Etihad stadium clubs have with their stadium returns, as well as allowing for certain basic football and commercial resources previously unavailable to the Club.

This, combined with further internal improvement programs, provide the Board with confidence that we can avoid similar financial results in future and ensure St Kilda Football Club operates from a firm financial position in future years.

The key financial points of the 2011 financial result are as follows:

- **Turnover** – the operating turnover for the season was $27,245,149, down from $31,534,537 (a decrease of $4,289,388 or 14% on prior year) – as a result of the heights achieved in participating in 2 Grand finals in 2010 and the impact of a lower subsequent commercial result in the current year.
- **Stadium Revenue** was down $971,333 in 2011 compared to prior year.
- **Prize money** was down by $700k in 2011. $750k was received in 2010 for the 2 Grand Finals. In 2011 it was $65k for 8th place.
- **Membership** numbers decreased 4% in 2011 to 39,547 (2010 41,212).
- **Sponsorship and Events** was down gross $1,460,225 (17%) on prior year, primarily due as a result of not securing a joint major sponsor for the Club jumper.
- **Net Assets** – The Club's Net Assets at the close of the 2011 financial year total $6,070,384
- **Depreciation** – with the Club's relocation to our new facility, the Linen House Centre in January 2011, this resulted in the Club's total depreciation increasing by 144% or $456,882 to $773,448 for 2011.
- **Capital Investment into Linen House** – The level of Club debt includes the amount of $2.8m cash that was required from the Club to complete the Linen House Centre $12m project.

POSITIVE OUTCOMES FOR THE 2011 SEASON

During the 2011 season several key outcomes that have been achieved are as follows:

LINEN HOUSE CENTRE (LHC) – With the necessity to provide modern facilities for our playing and administration staff we relocated to our new Administration and Training Facility, the LHC in Seaford early 2011. Both the Football Department and the Commercial Operations, excluding Merchandise and Gaming, have made the LHC their home during 2011. Our new facility has played host to numerous corporate events, Board meetings and national product launches for our sponsors and community partners. Members of the local community were invited into the Linen House Centre in 2011 through a number of open training sessions, school visits, charity events and corporate 'Train like a Saint' days.

PRESIDENT'S REPORT (CONTINUED)

FOOTBALL – Despite starting the 2011 AFL Season with just one win and a draw after eight rounds, the player list showed heart fighting back to play finals for the fourth consecutive year.

- The loss of Vice Captain, Lenny Hayes, in Round 2 to a season ending knee injury made the team's comeback all the more impressive;
- We celebrated our first NAB Rising Star Nominee in Jack Steven in four years;
- Stephen Milne broke Matthew Lloyd's goal kicking record at Etihad Stadium;
- Captain, Nick Riewoldt, reached his 200 game milestone in Round 3 as did Nick Dal Santo in Round 8;
- Congratulations to Sam Fisher for winning the Club's Best and Fairest;
- Stephen Milne, Nick Dal Santo and Sam Fisher named in the All Australian Squad – Milne and Dal Santo named in the 2011 All Australian Team; and
- Stephen Milne selection in the 2011 Australian International Rules Team.

FOOTBALL APPOINTMENTS – The appointment of Scott Watters as our Senior Coach was considered and extremely professional. It was infinitely enhanced by the contribution of several highly qualified individuals with exceptional expertise and experience. The Club extends its gratitude to Clare Prideaux (Manager – Sports Program Services at NSWIS), Brad Johnson (former AFL player), Naomi Johnson (Psych Insight) for the professional contribution they made to this process.

Chris Pelchen was appointed Head of Football in August 2011. Our Football Department thinking and operating approach has been reshaped. Chris has had 27 years of successful AFL operating experience with the AFL, Hawthorn and Port Adelaide.

Ameet Bains was appointed as General Manager of List Management in early 2011 to reinvigorate our list management strategy, improve our compliance and Total Player Payments (TPP) and give new energy to our player manager relationships.

Together with the appointment of Tony Elshaug as Recruiting Manager we are now well placed to achieve strategic outcomes in the critical player identification and list management area of the Club.

Other strategic appointments include Peter Burge (High Performance Manager), Dean Laidley (Assistant Coach – Midfield), Danny Sexton (Assistant Coach - Defensive), Simon McPhee (Academy Development Coach – Senior Coach Sandringham Football Club), Jaymie Graham (Academy Development Coach - Leadership & Welfare), Aaron Hamill (Part-time Specialist Coach – Offensive), Troy Schwarze (Part-time Specialist Coach - Midfield), Max Hudghton (Part-time Specialist Coach - Defensive), Josh Low (Strength & Conditioning Manager) and Sara Hasani (Physiotherapist).

Matilda Clements & her business, "Mental Edge" has been appointed as consultant psychologists to design and coordinate the Saints Player Leadership & Welfare Program in 2012.

ACADEMY PROGRAM – Our new industry leading Saints Player Academy program was conceptualised and established in late 2011. This has been designed specifically to give new life to our player skill development and talent pathways. Improved working relationship and structural changes have also been made with our VFL affiliate team, Sandringham Football Club. This includes a cohesive approach to the appointment of the 2012 Sandringham FC Senior Coach and Coaching Panel.

COMMERCIAL APPOINTMENT – Terry Dillon joined the club as Chief Operating Officer in October 2011 and brings with him a strong business background and importantly 14 years of Senior Management AFL experience with the Collingwood (6 years as CFO) and Hawthorn Football Clubs (2 years as CFO and 6 years as COO).

STRATEGY FRAMEWORK – The St Kilda Football Club Board undertook a critical body of work on a formal working code for the Club during 2011. From this a Primary Purpose position for the Club was agreed and will become part of our cultural platform for 2012 and beyond. The Club's primary purpose is ***to achieve success, instill pride and earn respect for Saints people through winning football and good citizenship.***

KEY AREAS OF FOCUS FOR 2012

• **STRATEGIC PLAN** – The Club is currently working on a 4 years Strategic Plan that will be completed by the end of April 2012. The Strategic Plan will set out a clear future direction for the Club.

• **RETURN TO PROFIT** – The Club needs to return to profit as soon as possible. This is being addressed through a range of new initiatives and cost control measures across the entire business. Establishing another joint major sponsor is also an important part of delivering a positive financial performance in 2012, something that we are working hard to achieve. As mentioned previously, the Future Fund allocation from the AFL will have a positive cash impact.

• **DEBT ELIMINATION** – The debt level has increased over the past 2 years due to the level of cash required of $2.8m by the Club to complete the Linen House Complex (LHC) facility, as well as the 2011 financial performance. In real terms the Club has funded its contribution to the LHC effectively from its own resources without undertaking substantial fundraisers like all other AFL clubs.

Early strategic work has been undertaken on a debt reduction program. A detailed strategy will be finalised during the 2012 season, which will then be rolled out in the 2013 season.

PRESIDENT'S REPORT (CONTINUED)

• **REVENUE FROM NEW BUSINESS INITIATIVES** – The Club's current financial model is very much reliant on strong on-field success. The Club's financial fortunes can therefore fluctuate dependent on the on-field success of the team. Other Clubs have developed alternative revenue streams other than match day revenue, membership, sponsorship and merchandise and we will study similar opportunities for St Kilda closely.

• **MEMBERSHIP** – Membership continues to be a critical part of the Saints business and overall financial performance. In 2011 we achieved 39,547 financial Members and we will continue to actively develop this area of our Club.

To better meet the needs of Members, significant changes have been made to the logistics and fulfillment programs including the introduction of the in-house Membership Support Team. These changes were as a consequence of an extensive review of a number of membership categories, which have now been modified to provide greater balance to our program and improved commercial outcomes for the Club.

With the geographic relocation of the Club to Frankston, a strong opportunity exists to develop our New Frontier. Strategic membership initiatives through local engagement programs are being developed to take advantage of our new location.

It is critical that Members in our traditional heartland remain relevant and engaged. Our traditional base is a vital part of our Member Development Program for 2012.

• **MOORABBIN** – Moorabbin Oval is an important strategic asset. The redevelopment of Moorabbin Oval to a community friendly football facility is a key part of our Heartland strategy and we are well placed to deliver on this following the considerable body of work that was done in 2011.

• **FOOTBALL** – It goes without saying that our core business is football. It is critical that we have a competitive football team that has a clear mandate and plan to play winning football.
We will continue to deliver an efficient football model given our resources, by investing in only the highest caliber of people both on and off the field.

As touched on earlier in this report, many personnel and structural changes have already been made to our football activities and we are now seeing the positive effects of these changes.

We are also excited by some of the emerging talent in the playing group and the professional approach of our more experienced players during this period of transition.

SUMMARY

Be assured that the Board of Directors and Management are committed and working hard to enhance our business model to address the industry challenges.
The AFL landscape has changed rapidly with, amongst other things, two new teams, priority player drafts and unprecedented investments in Football Departments by most AFL Clubs.

This competitive shift is well recognised as all AFL Clubs look to find the edge that will set them apart. As a consequence, our ability to actively invest and innovate in our football activities and our overall business remains a priority.

To do this we must build on our revenues and reduce our debt. Traditional revenues such as membership, merchandising and importantly sponsorship have to be improved and ways of delivering alternate revenue opportunities need to be crafted.

New thinking and continual improvement in all areas of our Club is a focus. Attracting and developing high quality people remains imperative at all levels within the Club.

I would like to take this opportunity to thank our wonderful Members that contribute so much emotionally and financially every year to sponsor players, purchase game seats both home and away, Saints merchandise and critical membership packages that remain the lifeblood of our Club.

We are also fortunate to have an incredible group of current sponsors that remained true to the cause throughout 2011. To this end, a special thank you is also appropriate to Gerry and Val Ryan, as well as Gordon and Michele Duncan for their commitment to our great Club for so many years. They are truly great Saints people.

As I conclude this report, it is with great sadness that I reflect upon the passing during 2011 of our Premiership Coach, Allan Jeans and our Premiership Captain, Darrel Baldock. Champions of the game; Greats of our great Club – their contributions will live forever.

In 2011 we also had one of our highly regarded players, Steven Baker complete his career with the Club. I congratulate Steven on his outstanding service to the St Kilda Football Club and wish him well with his future endeavours.

Our full congratulations go to the Geelong Football Club on another historic year for winning the 2011 AFL Premiership. We admire the quality of their organisation, which is of great credit to the Club and their people.

We look forward to 2012 with great anticipation. We are well aware of the challenge and excited by the opportunity.

Go Saints!

Greg Westaway
PRESIDENT

DIRECTORS' REPORT

Your directors submit their report on the St Kilda Saints Football Club Limited Consolidated Entity ("Group") for the year ended 31 October 2011.

DIRECTORS

The names and details of the directors in office at any time during the year and up to the date of this report are:

Greg Westaway	President
Qualifications	Fellow of Chartered Institute of Logistics and Transport, Awarded the Centenary Medal for Services to the Transport Industry.
Experience	Director of Gregorys Transport Pty Ltd, Director of Westhall Enterprises Pty Ltd, Director of various private companies, Former General Manager of B.J Ahern Transport Pty Ltd.
Other responsibilities	Chairman of Meetings and Chairman of Remuneration Committee
Ross Levin	Vice President
Qualifications	Bachelor of Laws, Bachelor of Economics, Graduate Diploma Labour Law.
Experience	A Senior Partner of Rigby Cooke Lawyers. Non-executive director of Cape Lambert Resources Ltd, an ASX top 300 Company. Trustee for CEDA, the Committee for Economic Development Australia ; Board member of Melbourne University Advisory Board for Graduate Law Studies; Adviser to Government and some of Australia's largest companies.
Other responsibilities	Member of Remuneration Committee
Nathan Burke	Director
Qualifications	Diploma of Teaching
Experience	Currently Director Human Resources at Vertex Business Solutions Pty Ltd. Owner/Director of YardStick Concepts Pty Ltd specialising in culture and leadership review and development. Also Cultural and Performance Manager at Peripheral Computer Industries. Represented the St Kilda Football Club in 323 games (including 8 finals) from 1987-2003, winning the Trevor Barker award for St Kilda's Best and Fairest player in 1993, 1996 and 1999.
John Gdanski	Director
Qualifications	Bachelor of Law, Bachelor of Economics, Masters of Law, Member of American Bar Association, Member of International Law Society, Diploma of Commercial Studies, Associate Member Institute of Arbitrators.
Experience	Founding Partner; Fetter Gdanski Solicitors for 15 years. Worked at Freehill Hollingdale & Page for four years and Clayton Utz for four years. Heavily involved in the Building and Construction Industry. Major shareholder Michelangelo Family Restaurants and Pinocchio's Restaurant. Currently Director of Sackville Wilks Solicitors.
Simon Grant	Director
Resigned	8 December 2011
Qualifications	Bachelor of Laws & Bachelor of Commerce. Fellow of the Chartered Institute of Company Secretaries. Associate, Australian Risk Policy Institute.
Experience	Over 20 years senior executive, management and board experience, including with Australian Unity Group, Foster 's Brewing Group and Datacraft. Former solicitor with Freehills. Most recently was CEO – Australia & America for MacarthurCook Limited. Currently General Manager – Legal, Risk & Compliance for the Netwealth Group and Director, Australian Risk Policy Institute. Experienced in business strategy, risk, corporate governance and business law.
Other responsibilities	Member of Audit and Risk Committee
Michael Nettlefold	Managing Director & Chief Executive Officer
Experience	Current Chief Executive Office of the St Kilda Football Club. Owns a private group of companies with national operating activities in food manufacturing, food retailing and the health care sector. Represented St Kilda Football Club between 1979 -1983 and Fitzroy FC between 1983-1985 (total of 74 matches including 2 finals).

Andrew Thompson	Director
Qualifications	Diploma of Financial Planning
Experience	Investment advisor for Canaccord BGF. Worked as an investment advisor for ABN AMRO Morgans from 2004 to 2008. Represented the St Kilda Football Club in 221 games (including 11 finals) from 1997-2007, winning the Trevor Barker award for St Kilda's Best and Fairest player in 2000.
Peter Summers	Director
Qualifications	Bachelors of Economics & Member of the Institute of Chartered Accountants
Experience	Peter Summers is the Managing Director and Chief Executive Officer AV Jennings Limited. He has been a Director of the Company since August 1998 and an employee of the Company and its related corporations since 1984. Prior to his appointment as Managing Director and Chief Executive Officer in February 2009, Peter was the Company's Chief Financial Officer and Finance Director. Mr. Summers is a Chartered Accountant having worked previously with Price Waterhouse, has extensive experience in general and financial management as well as mergers and acquisitions.
Other responsibilities	Chairman of Audit Committee
Ian McLeod	Director
	Appointed 16 December 2010
Qualifications	Bachelor of Arts (with Honors) Business Studies Harvard Business School Advanced Management Program Honorary Doctorate, Glasgow Caledonian University
Experience	Ian Mcleod is the current Managing Director of Coles Limited and is responsible for the Coles Supermarkets, Liquor and Convenience businesses. Prior to this, Ian was Chief Executive Officer of Halfords Group plc, the UK's leading retailer of car parts, leisure and cycling products and has also served on the Executive Board of Wal-Mart Germany as Chief Merchandise Officer. Prior to the Wal-Mart takeover in 1999, Ian held various senior roles and ASDA Management Board positions including Productivity Director and Trading Director. Ian has a large breadth of experience from the sporting world. He spent two years as CEO of Celtic plc, the listed Company controlling Celtic Football Club and is a Non-Executive Director of the Fulham Football Club.

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

DIRECTORS' MEETINGS

The number of directors' meetings and the number of meetings attended by each of the directors during the financial year were:

	Number of meetings eligible to attend	**Number of meetings attended**
Greg Westaway	9	8
Ross Levin	9	6
Nathan Burke	9	8
John Gdanski	9	7
Simon Grant	9	9
Michael Nettlefold	9	9
Andrew Thompson	9	9
Peter Summers	9	9
Ian McLeod	9	6

DIRECTORS' REPORT (CONTINUED)

Company Secretary

The following person held the position of Company secretary during and at the end of the financial year:
Mr. Marcus van Lint – Bachelor of Business (Accounting), Member of the Institute of Chartered Accountants in Australia. Mr. van Lint has worked for St Kilda Saints Football Club Ltd for the past seven years, firstly as the Finance Manager and currently as the General Manager - Finance. He was previously employed by William Buck as a Senior Auditor. Mr. van Lint was appointed Company Secretary on 6th July 2007.

Principal Activities

The principal activities of the consolidated group during the financial year consisted of competing as a member of the Australian Football League competition, the promotion of Australian Rules Football and offering sporting and social facilities to members.
There has been no significant change in those activities.

Objectives and Strategies of the Company

The Company's short term objectives are to:

- Identify and develop elite playing talent that balances football ability with good citizenship
- Identify and grow non-football commercial opportunities
- Actively find ways to convert Saints supporters to members
- Build match returns through innovation including:
  - Stadium revenue
  - Seat sales growth
  - Corporate activity
- Grow the connection between the Club, its members, and the community

The Company's long term objectives are to:

- Develop the Club business activities financially so it is:
  - Debt free, and;
  - Has the unfettered ability to finance the growth of its commercial and football operating activities
- Redevelop Moorabbin Oval to the benefit of both the Club and the community
- Become an employer of choice that respects and encourages diversity
- Define phase two of the development of the elite facilities at Frankston
- Become recognised and respected as one of the leading AFL clubs in the area of community engagement

Review and Results of Operations

The consolidated loss before income tax, finance costs and asset write-down is $1,132,033 (2010: Profit $8,039,152).
The net loss of the consolidated group for the financial year after providing for income tax, finance costs and asset write-downs is $1,271,149 (2009: Profit $7,467,049).
A review of the operations is contained in the President's Report on pages 3 - 5.

After Balance Date Events

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

Indemnification and Insurance of Officers

Indemnification

Under the Company's Constitution, the directors and officers shall be indemnified by the Company against all costs, losses, expenses and liabilities incurred by the directors or officers thereof in the course of the business and it shall be the duty of directors out of the funds of the Company to pay and satisfy all such costs, losses, expenses and liabilities.

Insurance Premiums

During the financial year the Company paid insurance premiums in respect of directors' and officers' liability insurance contracts on behalf of the consolidated group. Such insurance contracts insure against certain liabilities (subject to specific exclusions) for persons who are or have been directors or officers of the consolidated group.
The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the consolidated group.

DIRECTORS' REPORT (CONTINUED)

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings.

Environmental Regulation

The operations of the consolidated group are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 October 2011 has been received and can be found in page 10 of the directors' report.

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

Greg Westaway
President

Michael Nettlefold
Managing Director & Chief Executive Officer

Melbourne
Dated on this 21st December 2011.

Grant Thornton

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Auditor's Independence Declaration
To the Directors of St Kilda Saints Football Club Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of St Kilda Saints Football Club Limited for the year ended 31 October 2011, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Simon Trivett

Simon Trivett
Director - Audit & Assurance

Melbourne, 21 December 2011

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 October 2011

	Notes	Consolidated	
		2011	2010
		$	**$**
Operating Revenues	2(a)	**27,245,149**	31,534,537
Non-Operating Revenues	2(b)	**1,142,187**	6,348,252
Total Revenue		**28,387,336**	37,882,789
Finance & Administration		**3,743,855**	2,817,498
Football		**16,974,040**	16,569,240
Fundraising		**98,597**	299,166
Ground & Maintenance		**177,993**	118,379
Membership & Reserved Seats		**3,731,185**	3,593,862
Merchandise		**980,156**	1,244,643
Social Club		**656,918**	658,897
Sponsorship & Events		**3,156,625**	4,541,952
Total Expenses from ordinary activities		**29,519,368**	29,843,637
Profit/(Loss) before related income tax expense, finance costs and asset write-down		**(1,132,033)**	8,039,152
Finance Costs	3	**139,116**	115,242
Demolition & Emergency Order Costs	3	**-**	41,491
Write-down of Assets	3	**-**	415,370
Profit/(Loss) before related income tax expense		**(1,271,149)**	7,467,049
Income tax expense/(benefit) relating to ordinary activities	4	-	-
Profit/(Loss) from ordinary activities after related income tax expense		**(1,271,149)**	7,467,049
Other Comprehensive Income from the year, net of tax		**-**	-
Total Comprehensive Income for the year		**(1,271,149)**	7,467,049

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 October 2011

	Notes	Consolidated	
		2011	2010
		$	$
Current assets			
Cash and cash equivalents	7	**94,366**	2,249,707
Trade and other receivables	8	**881,387**	1,717,318
Inventories	9	**188,475**	141,646
Other assets	13	**131,347**	60,547
Total current assets		**1,295,576**	4,169,218
Non-current assets			
Property, plant and equipment	11	**11,944,302**	10,500,872
Intangibles	12	**62,727**	62,727
Total non-current assets		**12,007,029**	10,563,599
Total assets		**13,302,605**	14,732,816
Current liabilities			
Trade and other payables	14	**2,094,900**	4,239,984
Other current liabilities	15	**15,255**	265,780
Short-term borrowings	16	**4,642,648**	2,500,000
Employee Benefits	17	**411,668**	312,400
Total current liabilities		**7,164,561**	7,318,164
Non-current liabilities			
Employee Benefits	17	**67,750**	73,119
Total non-current liabilities		**67,750**	73,119
Total liabilities		**7,232,221**	7,391,283
Surplus of net assets		**6,070,384**	7,341,533
Members' equity			
Contributed equity	18	**5**	5
Accumulated profits		**6,070,379**	7,341,528
Total members' equity		**6,070,384**	7,341,533

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2011

	Retained Earnings	Contributed Equity	Total
Consolidated Group			
Balance at 1 November 2009	(125,521)	5	(125,516)
Total comprehensive income attributable to members of consolidated group	7,467,049	-	7,467,049
Balance at 31 October 2010	7,341,528	5	7,341,533
Total comprehensive income attributable to members of consolidated group	(1,271,149)	-	(1,271,149)
Balance at 31 October 2011	6,070,379	5	6,070,384

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 October 2011

	Notes	Consolidated	
		2011	2010
		$	**$**
Cash flows from operating activities			
Receipts from customers, members, sponsors & AFL		**30,210,097**	29,456,690
Frankston development funds		**1,095,050**	7,535,802
Payments to suppliers and employees		**(33,256,895)**	(31,702,939)
Interest received		**9,753**	111,568
Finance costs		**(139,116)**	(115,241)
Net cash flows provided by (used in) operating activities	20(a)	**(2,081,111)**	5,285,880
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2,216,878)**	(8,531,596)
Proceeds from sale of property, plant and equipment		**-**	35,000
Purchase of intangible assets		**-**	(62,727)
Net cash flows provided by (used in) investing activities		**(2,216,878)**	(8,559,323)
Cash flows from financing activities			
Proceeds from borrowings		**2,800,000**	2,000,000
Repayment of borrowings		**(1,500,000)**	(1,000,000)
Net cash flows provided by (used in) financing activities		**1,300,000**	1,000,000
Net increase/(decrease) in cash held		**(2,997,989)**	(2,273,443)
Add cash at the beginning of the financial year		**2,249,707**	509,731
Cash and cash equivalents at the end of the financial year	20(b)	**(748,282)**	2,249,707

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2011

1. Statement of Significant Accounting Policies

The financial report includes the consolidated financial statements and notes of St Kilda Saints Football Club Ltd Consolidated Entity ('Group'). The financial Statements were authorised for issue by the directors on the 21st December 2011.

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, reduced disclosure requirements (including Australian Accounting Interpretations), other authorative pronouncements of the Australian Accounting Standards Board, and Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a) Adoption of New and Revised Accounting Standards

The Company has adopted the following new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("the AASB") that are effective for the current reporting period.

(i) Change in the accounting policies and disclosures

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]; AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, 7, 121, 128, 131, 132 & 139]; and with those exceptions, the accounting policies adopted are consistent with those of the previous financial year. The adoption of these new and revised Standards or Interpretations is not deemed to have had an impact on the financial statements or performance of the Company.

(ii) Accounting Standards or Interpretations issued but not yet effective

At the date of authorisation of the financial report there were no Standards or Interpretations that were on issue but not yet effective that would affect any of the amounts recognised in the financial report.

b) Going Concern

The financial report had been prepared on the basis that the St Kilda Saints Football Club Ltd and controlled entities are a going concern. The consolidated group's directors consider the going concern assumption to be an appropriate basis, which is dependent on;

(i) the support of the consolidated group's banker and the AFL in respect of the continued provision of its finance facility, and

(ii) the consolidated group being able to generate sufficient funds through membership, sponsorship and other sources to achieve a satisfactory trading performance in order for the consolidated entity to meet its debts as and when they become due and payable.

c) Principles of Consolidation

A controlled entity is any entity St Kilda Saints Football Club Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 10 to the financial statements.

As at reporting date the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date of control was obtained (ceased).

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

1. Statement of significant accounting policies (continued)

d) Income Tax

The companies in the group are exempt from income tax as an exempt sporting organisation in accordance with s.50-45 of the Income Tax Assessment Act, with the exception of St Kilda Football Club Ltd, which is a tax paying entity.

The income tax expense (revenue) for the year comprises current income tax expense (revenue) and deferred tax expense (revenue).

Current income tax expense charged to the profits or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expenses (revenues) are charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax base of assets and liabilities and their full carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. The measurement also reflects the manner in which management expects to recover or settle the carrying amount of their related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

e) Inventories

Inventories are measured at lower of cost and net realisable value. Cost is based on an actual weighted average. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

g) Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

1. Statement of significant accounting policies (continued)

h) Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land and memorabilia, is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of assets are:

	Useful lives	Depreciation basis
Leasehold improvements	4 – 50 years	Straight line
Plant and equipment	3 – 20 years	Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

i) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

j) Financial Instruments

Classification and Subsequent Measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which as asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;

b. less principal repayments;

c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

d. less any reduction for impairment.

The effective interest method is used to allocate interest income or expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revision to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

1. Statement of significant accounting policies (continued)

The Group does not designate any interest in subsidiaries or associates as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loan and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market and are subsequently measured at amortised costs using the effective interest rate method.

(ii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

k) **Impairment of Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible 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.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

l) **Employee Benefits**

(i) Wages, salaries, annual leave and sick leave

Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other 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.

(ii) Long service leave

Liabilities for long service leave are measured at the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to the reporting date. Interest rates attaching, as at reporting date, to Commonwealth Government Guaranteed Securities are used to discount the estimated future cash flows to their present value.

In December 2002 the AFL Clubs and the players entered into a Federally Certified Long Service Leave Agreement. This agreement removed the State Long Service Leave entitlements of the players. Instead, the players receive additional annual leave after a set number of years service and consequently clubs will not be required to accrue for long service leave liabilities for its current players.

(iii) Superannuation

Contributions are made by the consolidated group to employee superannuation funds and are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

1. Statement of significant accounting policies (continued)

m) **Provisions**

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

n) **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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

o) **Revenue Recognition**

Sales revenue comprises revenue earned from the sales of memberships, reserved seating, corporate marketing, sponsorships, events and fundraising, sale of merchandise, gate receipts, AFL distributions, Social Club activities and gaming revenue. Sales revenue is recognised when the goods or services are provided.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement is those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

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

Grant revenue is recognised in the Statement of Comprehensive Income when it is controlled. When there are conditions attached to the grant relating to the use of grant funds for specific purposes it is recognised in the Balance Sheet as a liability until those conditions are met or services provided.

p) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in the income period in which they are incurred.

q) **Goods and Service Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, expect where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

1. Statement of significant accounting policies (continued)

r) **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report 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, obtained both externally and within the group.

Key Estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments — Doubtful Debts Provision

Included within accounts receivable at 31 October 2011 are amounts receivable from eleven debtors with balances ranging from $260 to $46,290 and aged greater than the Company's standard trading terms. The doubtful debt provision provides each of these debtors. The Company will nevertheless be pursuing full payment of these debts.

s) Intangible Assets

Gaming Licences

Gaming licences that are acquired by the Group are stated currently at cost. This balance represents a deposit on future gaming machine entitlements. The gaming machine entitlements commence on 16th August 2012 and are effective for 10 years thereafter.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

	Consolidated	
	2011	2010
	$	**$**
2. Revenue		
(a) Revenue from Operating Activities		
AFL & Gate Receipts	**10,242,451**	12,151,129
Finance & Administration	**29,854**	40,171
Fundraising	**282,387**	626,095
Membership & Reserved Seats	**7,750,153**	7,878,949
Merchandise	**1,049,975**	1,443,199
Social Club	**944,798**	978,841
Sponsorship & Events	**6,938,019**	8,398,274
	27,237,637	31,516,658
Revenue from Other Activities		
Interest – Financial institutions	**7,512**	17,879
	27,245,149	31,534,537
(b) Non-operating Revenues		
Frankston development funds	**1,139,946**	6,254,563
Interest relating to development funds	**2,241**	93,689
	1,142,187	6,348,252
Total Revenue	**28,387,336**	37,882,789

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

	Consolidated	
	2011	2010
	$	$
3. Expenses		
Finance costs:		
Financial Institutions	**139,116**	115,242
Demolition & Emergency Order Costs:		
Linton Street Property	**-**	41,491
Amortisation of:		
Leasehold improvements - Linton Street	**5,719**	55,718
Leasehold improvements – Linen House Centre	**462,006**	-
Depreciation of:		
Property, plant and equipment	**305,723**	260,846
Total depreciation and amortisation	**773,448**	316,566
Net expense including movements in:		
Provision for impairment of receivables	**(43,533)**	138,971
Net expense for movements in provision for:		
Employee entitlements	**91,080**	(2,819)
Rental expense on Operating leases:		
Minimum lease payments	**140,486**	165,383
Net loss/(gain) on disposal of non-current assets:		
Property, plant and equipment	**-**	(16,517)
Net write-down of assets		
Leasehold Improvements- Linton Street	**-**	321,955
Plant and equipment – Linton Street	**-**	93,415
Total net write-down of assets	**-**	415,370
Employee Benefit Expenses		
Salary, wages and termination expense	**16,210,504**	15,830,445
Superannuation expense	**893,133**	876,386
Total employee benefit expense	**17,103,637**	16,706,831

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

	Consolidated	
	2011	2010
	$	$
4. Income Tax Expense		
(a) The components of tax expense comprise		
Current Tax	**-**	-
Under/(over) provision in respect of prior years	**-**	-
	-	-
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax (payable)/receivable on profit from ordinary activities before income at 30%	**381,344**	(2,240,114)
Add:		
Tax effect of:		
- Under / (over) provision in respect of prior years	**-**	-
- Sundry items	**-**	-
Less:		
Tax effect of:		
- Unrecognised tax losses and temporary differences	**(62,761)**	(144,232)
- (Profit) / losses exempt from income tax	**(318,583)**	2,384,346
Income tax attributable to the entity	**-**	-
5. Key Management Personnel Compensation		
- Short-term benefits	**2,092,348**	2,028,943
- Post employment benefits	**112,594**	86,820
- Termination benefits	**73,919**	38,853
	2,278,861	2,154,616
Number of key management personnel	**12**	9
6. Auditor's Remuneration		
Amounts received, or due and receivable by the auditor for:		
– auditing or reviewing the accounts and consolidated accounts of the St Kilda Saints Football Club Ltd and the accounts of each of its controlled entities	**32,100**	34,555
– other services	**11,500**	10,945
	43,600	45,500
7. Cash and Cash Equivalents		
Cash at bank	**-**	2,143,020
Cash on hand	**94,366**	106,687
	94,366	2,249,707

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

	Consolidated	
	2011	2010
	$	$
8. Trade and Other Receivables		
Current		
Trade receivables	**904,047**	1,793,217
Provision for impairment of receivables	**(123,437)**	(166,970)
	780,610	1,626,247
Other receivables	**100,777**	91,071
	881,387	1,717,318

(b) Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. Trade and term receivables are assessed for recoverability based on the underlying terms of the contract. 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 the other expenses item.

Movement in the provision for impairment of receivables is as follows:

	Opening Balance 01/11/2009	Charge for The year	Amount Written Off	Closing Balance 31/10/2010
Consolidated Group				
(i) Current Trade Receivables	27,999	143,783	(4,812)	166,970

	Opening Balance 01/11/2010	Charge for The year	Amount Written Off	Closing Balance 31/10/2011
Consolidated Group				
(i) Current Trade Receivables	166,970	(43,533)	-	123,437

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

	Consolidated	
	2011	2010
9. Inventories		
Merchandise Stock	**178,437**	126,902
Food & Liquor	**10,038**	14,744
	188,475	141,646

10. Controlled Entities		Controlling Interest	
	Country of incorporation	*2011*	*2010*
St Kilda Football Club Ltd	Australia	100%	100%

11. Property, Plant and Equipment		
Leasehold Improvements		
At cost	**12,352,598**	1,108,809
Accumulated amortisation	**(1,535,214)**	(1,067,489)
	10,817,384	41,320
Plant and Equipment		
At cost	**2,379,211**	1,578,087
Accumulated depreciation	**(1,260,337)**	(954,614)
	1,118,874	623,473
Capital Works in Progress		
At cost	**8,044**	9,836,078
Total property, Plant and Equipment		
At cost	**14,739,854**	12,522,975
Accumulated depreciation / amortisation	**(2,795,551)**	(2,022,103)
	11,944,302	10,500,872

(a) Movements in Carrying Amounts

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

	Plant and equipment	**Leasehold improvements**	**Capital works in progress**	**Total**
	$	**$**	**$**	**$**
Consolidated Group:				
Balance at the beginning of year	623,474	41,320	9,836,078	10,500,872
Additions	999,757	6,346	1,210,775	2,216,878
Transfers	(198,634)	11,237,443	(11,038,809)	-
Depreciation Expense	(305,723)	(467,725)	-	(773,448)
Carrying amount at the end of year	1,118,874	10,817,384	8,044	11,944,302

	2011	2010
12. Intangible Assets		
Gaming Licences		
Deposit paid - at cost	**62,727**	62,727

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

	Consolidated	
	2011	2010
	$	$
13. Other Assets		
Current		
Prepayments	**131,347**	60,547

All amounts are short term and the carrying values are considered to be a reasonable approximation of their value

14. Trade and Other Payables		
Current		
Unsecured Liabilities		
Trade payables	**1,067,351**	1,126,372
Sundry payables & accrued expenses	**1,027,549**	3,113,612
	2,094,900	4,239,984
15. Other Current Liabilities		
Income in advance	**15,255**	265,780
16. Financial Liabilities		
Current		
Secured Liabilities		
Commercial Bill	**3,800,000**	2,500,000
Bank Overdraft	**842,648**	-
	4,642,648	2,500,000

Financing arrangements

The consolidated entity has access to the following lines of credit:

Commercial Bill facilities		
Total facilities available	**5,000,000**	5,000,000
Facilities utilised at balance date	**(4,642,648)**	(2,500,000)
Facilities not utilised at balance date	**357,352**	2,500,000

The facility is summarised as follows:
The Commercial Bill facility expires on 31st October 2012.
The 31 day Commercial Bill for $3,800,000 will mature on 24th November 2011 at an interest rate of 5.65%

Security

Guarantee limited to $5,000,000 given by the Australian Football League ACN 004 155 211 to expire 31st October 2012.

The fair value of current borrowings approximates their carrying amount as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

	Consolidated	
	2011	2010
	$	$
17. Employee Benefits		
Current		
Annual Leave	**313,875**	228,386
Long Service Leave	**97,793**	84,014
	411,668	312,400
Non Current		
Long Service Leave	**67,750**	73,119
(a) Aggregate Employee Entitlements	**479,418**	385,519
(b) Number of Employees		
Number of full time employees at year end	**57**	49

The current portion of these liabilities represents St Kilda Saints Football Club Limited's obligations to which the employee has a current legal entitlement. These liabilities arise mainly from accrued annual leave entitlement at reporting date.

A provision has been recognised for employee entitlements relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1.

18. Issued Capital

5 fully paid ordinary shares	**5**	5

There are no voting rights attached to the shares

St Kilda Saints Football Club Ltd is a Company limited by guarantee. Under the Company's Constitution the liability of members is limited to $20 each (for members who joined prior to 1st November 2006) and $1 each (for members who joined on or after 1st November 2006) in the event of the Company being wound up. At the end of the financial year there were 39,547 members (2010: 41,212).

No dividends were declared since the start of the financial year. No recommendation for payment of dividends has been made.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

	Consolidated	
	2011	2010
	$	$

19. Capital and Leasing Commitments

(a) Operating lease payable commitments:

Future non-cancellable operating lease rentals of property, plant and equipment, not provided for in the financial statements and payable:

	2011 $	2010 $
not later than one year	**189,637**	150,241
later than one year and not later than five years	**367,550**	369,156
later than five years	**1,799,258**	1,627,310
	2,356,445	2,146,707

Operating lease commitments include the lease of property located at 32-60 Linton Street, Moorabbin. The lease with the City of Kingston Council has a 75 year term that ends on 1st January 2040. Lease payments are payable in arrears on the last day of the month. Operating leases also include photocopiers and computer equipment. The Club has entered into a 50 year lease with the Frankston City Council to lease the facilities, oval and car park at Linen House Centre, Seaford. The leased premises at Seaford house the Club's administration and training facilities. The total value of the lease payments over the lease period is $50 which was prepaid at 31 October 2011.

(b) Minimum Player Payments

	2011 $	2010 $
not later than one year	**8,093,280**	8,876,700
later than one year and not later than five years	**1,560,000**	4,090,000
later than five years	**-**	-
	9,653,280	12,966,700

(c) Gaming machines commitments:

The Club has a commitment to The Victorian Commission for Gambling Regulation to purchase a licence for 83 gaming entitlements and is obligated to the following commitments:

	2011 $	2010 $
not later than one year	**62,727**	-
later than one year and not later than five years	**1,003,632**	815,450
later than five years	**125,454**	376,362
	1,191,813	1,191,812

Each of the 83 gaming entitlements is for 10 years commencing 16 August 2012. The Company paid a deposit of $62,727 in the financial year ended 31 October 2010, with the future obligation of $1,191,812 payable over 4 years from the 16 August 2012 in quarterly instalments.

(d) Linen House Centre capital commitments:

The entity has entered into various contracts for the development of a new training and administration facility at Linen House Centre in Seaford, Victoria. The remaining contractual commitments are as follows:

	2011 $	2010 $
not later than one year	**217,090**	2,092,080
	217,090	2,092,080

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

	Consolidated	
	2011	2010
	$	$
20. Cash Flow information		
(a) Reconciliation of cash flow from operations with profit after income tax		
Profit/(loss) after income tax	**(1,271,149)**	7,467,049
Non cash flows in profit from ordinary activities		
– Net (profit)/loss on disposal or write-off of property & equipment	**-**	398,853
– Depreciation and Amortisation of non-current assets	**773,448**	316,566
Changes in assets and liabilities		
– (Increase) / decrease in trade and other debtors	**835,931**	(605,703)
– (Increase) / decrease in inventory	**(46,830)**	(62,726)
– (Increase) / decrease in prepayments	**(70,800)**	217,247
– Increase / (decrease) in provisions	**93,899**	(2,819)
– Increase / (decrease) in income in advance	**(2,172,768)**	(2,919,473)
– Increase / (decrease) in trade and other payables	**(222,842)**	476,886
Cash flow from operations	**(2,081,111)**	5,285,880
(b) Reconciliation of cash		
Cash balance comprises:		
– cash at bank	**-**	2,143,020
– cash on hand	**94,366**	106,687
	94,366	2,249,707
– bank overdraft	**(842,648)**	-
Closing cash balance	**(748,282)**	2,249,707

21. Events After the Balance Sheet Date

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2011

22. Economic Dependency

A significant portion of the income of the consolidated group is derived from the holding of licences issued by the Australian Football League and the Victorian Commission for Gambling Regulation.

23. Company Details

The registered office of the Company is:

St Kilda Saints Football Club Ltd
32-60 Linton Street
Moorabbin Victoria 3189

The principal place of business of the Company is:

St Kilda Saints Football Club Ltd
151 East Road
Seaford Victoria 3198

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 11 to 30, are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 31 October 2011 and of the performance for the year ended on that date of the Company and consolidated group;
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view;
3. in the director's 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.

Greg Westaway
President

Michael Nettlefold
Managing Director & Chief Executive Officer

Melbourne

Dated on this 21st December 2011

Grant Thornton

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Independent Auditor's Report
To the Members of St Kilda Saints Football Club Limited

We have audited the accompanying financial report of St Kilda Saints Football Club Limited (the "Company"), which comprises the consolidated statement of financial position as at 31 October 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising 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 of the financial report that gives a true and fair view of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

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.

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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.

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 St Kilda Saints Football Club Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 31 October 2011 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

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GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Simon Trivett

Simon Trivett
Director - Audit & Assurance

Melbourne, 21 December 2011