



# ST KILDA SAINTS FOOTBALL CLUB LIMITED

CONSOLIDATED ENTITY [ABN 86 005 174 836](#)



## ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING 31 OCTOBER 2015



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## PRESIDENT'S REPORT

### Year In Review

Statistically the AFL is a competition where, if the AFL achieves its ultimate outcome in terms of competitive balance, every side would win one premiership every 18 years. Premierships are hard to win and to win three in a row is an effort that must be acknowledged. On behalf of the Saints I congratulate Andrew Newbold and the Hawthorn Football Club on that achievement.

To Brownlow Medal winner, Nat Fyfe, we also offer our congratulations as we do to AFL Rising Star, Jesse Hogan.

It is also appropriate I recognise that we do operate within the greatest sporting competition in Australia. This has been achieved over a sustained period and under the leadership of the AFL Commission and Executive. To Mike Fitzpatrick and Gillon McLachlan, we congratulate you on the success of the AFL 2015 season and we thank you for your support of the St.Kilda Football Club during our period of reshaping this great Club.

As a leeway into talking about the Saints I would also like to acknowledge the AFL Coaches Association coach of the year, Luke Beveridge. As you know, Luke was to join us for season 2015 before being offered the senior coach role at the Western Bulldogs. As a former player, almost Director of Coaching and part of a great Saints family we congratulate Luke on his year.

At times it seems the AFL is a sport that is a 24 hours, 365 days a year business. Yet for all of the media and exposure the sport attracts, for most of us, football is still dominated by a few hours a week between March and September. That is something that has never been lost on me and it is a point I will come back to shortly.

But as is so often the case those two hours reflect the thousands of hours of hard work, strong decision making and adherence to strategy. Last year we talked often about those factors - strategy, hard work, strong decision making. And it has continued to be our focus throughout 2015.

Many of those efforts will continue to take time to evolve. Our determination and commitment to a successful New Zealand strategy is a good example. But already many aspects of the work done to reshape our great Club are becoming more obvious.

We started the year with a desire to resolve positively our sense of home. That is getting closer by the day as our return to Moorabbin becomes more of a reality. And through it we have, I believe, demonstrated that such a move will be achieved whilst continuing a strong presence throughout our bayside heartland.

Our brand clarity, talked about as a vital initiative last year, has become a reality with How I Want To Be. This has been hugely successful because it is genuine and so aligned to the uniqueness of St Kilda.

The positive outcomes have also been reflected in three member surveys conducted throughout the year as well as internal surveys. All have shown improved satisfaction levels. Of course, some suggestions for improvement have been raised and this feedback is vital to us continuing to take steps forward.

We have set a strong growth target for membership in 2016 of 40,000 members and we are confident of achieving it on the back of the progress and results from 2015.

A significant part of the improved survey outcomes has been our commitment to communication and the open style of communication we have adopted. Our communications team was recognised with an award at the AFL Media awards night, which is a fantastic and well deserved outcome. But to all throughout the Club who have committed to being so engaging and open I thank you for having that commitment and courage. A special thank you to Alan Richardson for post match reports to members. You can imagine at times these can be challenging for Alan but he always delivered.

Our commitment to our people has evolved as we said it would. The year has seen some significant appointments of key senior managers and other roles and this is certainly driving improved outcomes.

But back to my first point - the passion of match day. Without in anyway downplaying the importance of those day by day decisions and hard work, few of us turn up each week to have a progress report on our business plans.

We turn up to see our side compete with passion and for us to barrack with equal passion.

And didn't 2015 deliver on that!

At home games, from the moment we turned up to be greeted by our match day volunteers, we experienced the new Saints game day experience.

On the field we were excited by the style of football we played and the commitment to compete. The comeback against the Bulldogs said it all. But equally expressive were the scramble for a draw against the Cats after most thought they had us; the lets-find-a-way-to-win attitude against the Demons in the final 30 seconds, the four-quarters-give-no quarter demolition of Essendon and even efforts such as the last quarter of the Maddie's Vision Match against the Tigers. We saw clearly what the playing group stood for and it made us proud.

In the stands we certainly seemed to increase our noise levels in support of the team. It seemed we were very much enjoying the passion of being a Saints fan.

It has also made us impatient for the future - maybe even too impatient as this is still statistically a list in development. But who would dare place any such restrictions on a group that is clearly determined to write its own history.

Throughout the year I have had many chances through match day functions, communications to members and other forums to acknowledge many people. But as this Annual Report forms part of a historical record of a club over 141 years old I think it appropriate to do so again here.

To my fellow Directors, you promised to be strong and you have been. You promised to provide guidance and you have. During the year Jack Rush, Ian McLeod and Nathan Burke left the Board for business reasons. Their contribution was significant during their time as Directors. We welcomed former player Dean Anderson to the Board during the year and Dean has already had a very positive influence on our Club.



## PRESIDENT'S REPORT (CONTINUED)

To our sponsors, I thank you on behalf of all Saints for your support. It is always dangerous to single out a few but I think it is appropriate to acknowledge Dare Iced Coffee who became our principle partner this year as well as Seek and Susan Day Cakes who became associated with the club for the first time. And to a few very special Saints in Jerry Ryan at Jayco Caravans, and Gordon Duncan at Linen House, your ongoing support year after year is amazing.

Again, to all the business partners, including Dare Iced Coffee, Ledified, Watersun, AMC Commercial Cleaning, Linen House, Susan Day Cakes, Positively Wellington, Ladbrokes and all of our other corporate partners, we thank you for your valuable contribution.

At the Saints we are truly blessed to have a fantastic group of supporter and coterie groups. The Angels, Halo's, Match Committee, True Believers, Saints in the City, our interstate and regional supporter groups, the cheer squad and the Sinners, and all of our magnificent volunteers - you are all so vital to this club not only functioning, but to the spirit of the Saints.

To our members, you again proved you are the best supporters in the country. Rebuilds are tough to talk about and even tougher to accept. But you showed a willingness to accept and embrace the plans and then even more importantly to commit your tangible support.

To Matt Finnis and his executive team I congratulate you on an outstanding year. As I said at last year's AGM it is one thing to have confidence in plans but it counts for nothing if not implemented professionally.

There is no doubt the appointment of Alan Richardson has proven to be positive. His commitment to not only the playing side of our business but the whole club has been outstanding and provided a great example for all to follow.

Of course, he has been ably supported by his assistant coaches and other football department staff. All of this has been overseen by the steady but challenging influence of Jamie Cox who has settled in well in his first year with the Saints.

At the start of the year there were some very underwhelming forecasts of what lay ahead in relation to on-field results. Congratulations to the playing group for deciding such predictions were irrelevant to them and that they would set their own expectations. Of course, special acknowledgment must be made to our captain, Nick Riewoldt. Nick had already well and truly proved to us he was a champion player and champion leader. But facing the personal challenges he did in 2015 his performance in promoting the Club, leading the playing group and performing on the field were even more outstanding than anyone could realistically expect.

Unfortunately our Trevor Barker Award night was held in early September - we all look forward to the time when it needs to be in October to allow for finals. But it was a fantastic night which showed very strongly the positive sentiment that has built up in recent times.

On the night we celebrated Jack Steven's second Trevor Barker Award and I congratulate Jack and the second and third placed David Armitage and Sean Dempster respectively.

Congratulations also to other winners:

- Lenny Hayes Trademark Award: Maverick Weller
- Robert Harvey Best Clubman Award: Jarryn Geary
- Best Emerging Player Award: Jack Lonie

Alan Richardson has said a few times since the Trevor Barker Award that one of the things that impressed him the most about that night was that every single recipient of an award thanked our members. He is correct in observing what a significant sign that was of how committed the players, young and experienced alike, are to our Club.

We also acknowledged that night three new life members being Greg Gneil, Andrew Waddington and Sam Gilbert. I'm sure the other Life Members of the Club will welcome our new Life Members to their very special group of Saints.

The John Moran Award was awarded to Bob Marr. This is a very special award for the Club and I congratulate Bob on being recognised for this award.

Season 2015 also saw other achievements from Saints people.

Paul Hudson was voted VFL coach of the year, Adam Kingsley was voted assistant coach of the year and runner up to Adam was Director of Coaching Danny Sexton.

Neil Roberts, who is still actively involved in the Club and always willing to share a story or joke or three, was elected a member of the Australian Football Hall of Fame and Tony Lockett was elevated to Legend status within the Hall of Fame. We congratulate both gentlemen on this outstanding achievement.

Ameet Bains, a person who works incredibly hard and oversees critical areas of the Club, was recognised by the AFL with the Graeme Samuel scholarship.

I would like to acknowledge the work of the Ross Smith led Saints Hall of Fame Committee who were instrumental in the recognitions afforded to Neil, Tony and Ameet.

As happens every year we welcomed new people to our Club and said goodbye to others.

To those who have very recently joined, I welcome you to the Saints and look forward to sharing the journey with you. You have joined a very special Club and I'm sure your time with us will be extremely rewarding.

A special group I would like to acknowledge are the partners and families of the players and staff. On behalf of the Club I thank you for the support you show and recognise how critical that support is to our success.

It is always sad to say goodbye to those who will not be here in 2016. However, I hope you leave feeling a strong connection to our journey and the last you have played in it. When we do achieve our goals I believe you will know we are fully aware of the part you have played.

It is impossible to provide a report on 2015 without reference to a number of very sad losses suffered during the year.



## PRESIDENT'S REPORT (CONTINUED)

The year gone has seen the passing of past players and officials. Unfortunately we don't always hear of all such passings so to avoid the risk of missing any I won't name everyone but we do pass on our condolences to their family and friends. However, whilst all played a special place in our history it is proper to especially recognise the passing of Jim Ross who was a member of our Team of the Century.

Sadly, we also lost many others close to us. I said at various times this year that at those moments it seems almost disrespectful to refer to the Saints family and that at those moments the true meaning of family must be respected. But it has been telling how the families effected by the loss have themselves so often talked about the support they have received from the Saints family. It has been an aspect of the Club we would all have preferred to not have faced but I am extremely proud of the way we have supported our friends and colleagues at those times.

I'm sure we will carry the memory and legacy of these special Saints people with us into 2016 and beyond.

I mentioned earlier AFL is 24 hours, 365 days a year. So even as I write this things are still evolving. Everyone will continue to work hard in the off season to move us closer to our goals. On behalf of myself, the Board, Management and staff of the St.Kilda Football Club I thank you for your support in 2015 and hope you are looking forward to 2016 as much as I am.

### Financial Results

The result for the year to 31 October 2015 was a loss of \$847,693 (2014 \$3,912,922). The result before depreciation and amortisation was a profit of \$389,337 (2014 loss of \$2,607,330). A significant part of our amortisation and depreciation relates to the Seaford premises and therefore our focus from an operational point of view is more towards the result before amortisation and depreciation.

Like most parts of our Club the Financial aspects are going through a period of reshaping and rebuilding. What I want to stress up front is that unlike most of the issues around AFL, the financial challenges we face are not cost related. We are a Club which is responsibly structured and managed. We certainly acknowledge the work done by the AFL in containing costs within the industry as escalating costs to remain competitive don't help the structure of the competition.

The issues faced by St.Kilda Football Club from a finance point of view are very much due to our revenue streams and it is in this area where much of our focus has been directed in recent times. Whilst we have a long way to go, the advancements in 2015 were pleasing. Membership and sponsorship increased for the first time in many years and we achieved good results from hospitality following our revamped match day function formats.

These results were extra pleasing for two reasons. Firstly, we were coming off a wooden spoon and our draw, with a strong bias towards Sunday afternoon games, was sub-optimal for both selling memberships and sponsorship. Secondly, not only did numbers increase, the quality of many aspects of our business also increased, no more so than sponsorship which saw additional quality businesses and brands wanting to be part of our journey. Clearly these brands see that we can deliver results to their businesses and the successful outcomes achieved in 2015 will form a fantastic platform for future growth.

It would be wrong not to note the support of the AFL through this period. Whilst welcomed, I believe this support has been well earned through a transparent and responsible approach adopted by the Saints. I also believe it recognises the significant disadvantage we experience financially from playing most of our home games at Etihad and the difficulty our draw created in 2015.

The next few years provide great opportunities for us to build on the momentum of 2015 and we are confident our on-field growth will add to this momentum. The executive team continue to look for new and innovative ways of doing things but much of our recent success has been built on a strong commitment to service. Service to our members, our sponsors and the community. This will continue to underpin our continued improvement.

However, challenges also exist. To reach the targets for membership we believe we should achieve requires not only attracting new members but attracting back to the Saints past members. The intended redevelopment of Moorabbin will impact on our current revenues from that venue whilst the redevelopment is completed. The shift in our NZ strategy towards a wider New Zealand strategy will impact next year with the loss of the Wellington game, a game which has been a significant source of revenue in recent years.

However, we are pleased with the progress made and we are very confident we are heading in the right direction. Even the challenges referred to above are short term ones that once addressed or dealt with will lead to an even greater future.

**Peter Summers**  
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 2015.

### 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:

<b>Peter Summers</b>	President
Qualifications	Bachelor of Economics & Member of Chartered Accountants Australia & New Zealand
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 Meetings and Member of the Audit Committee
<b>Andrew Thompson</b>	Vice President
Qualifications	Diploma of Financial Planning
Experience	Investment advisor for Canaccord. 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.
<b>Ian McLeod</b>	Vice President
Resigned	28 January 2015
Qualifications	Bachelor of Commerce, Harvard Business School
Experience	Ian joined Australian conglomerate Wesfarmers in May 2008 as Managing Director of the Coles Food, Liquor & Convenience chain, with the task of restoring customer confidence and team member pride in company after a decade of declining business performance. Ian spent most of his career with ASDA supermarkets where he was a member of the UK Management Board and also the Executive Board of Wal-Mart Germany. Prior to his Coles appointment, he was CEO of Halfords Group Plc and was part of the private equity backed team that improved Halfords performance and successfully floated the company on the London Stock Exchange in 2004. 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 was a Non-Executive Director for 5 years of the Fulham Football Club in the English Premier League. He is also a director of Melbourne Victory in the A-League.
<b>Matt Finnis</b>	Director and Chief Executive Officer
Qualifications	Bachelor of Arts (Psych), Bachelor of Laws (Hons), Advanced Management Program (INSEAD)
Experience	<p>Matt was appointed Chief Executive Officer of the St Kilda Football Club in April 2014 after previously holding the position of Chief Executive Officer at the AFL Players' Association from September 2009. During his time at the PA Matt drove an agenda which resulted in the agreement to introduce free agency to the AFL to secure recognition for the significant part AFL footballers play in the phenomenal and growing success of the code. He also represented player interests in a range of issues, including commercial rights and individual grievances, and chaired the AFLPA Agent Accreditation Board.</p> <p>Prior to joining the PA Matt worked as a commercial lawyer advising numerous sporting organisations, businesses, athletes and government.</p> <p>Matt also has extensive experience in supporting community causes and organisations having been chairman of Ladder – an AFL Players charitable initiative to tackle youth homelessness and a director of AFL SportsReady – the AFL industry's group training company. He is also a director of Surfing Australia – the peak governing body for the sport of surfing, and has been a director and company secretary of Surf Life Saving Victoria since 2002. Matt was also a founding director of HeartKids Australia, a charity supporting children born with congenital heart disease.</p>



## DIRECTORS' REPORT (CONTINUED)

<b>Nathan Burke</b>	Director
Resigned	13 February 2015
Qualifications	Diploma of Teaching, Diploma of Business Management.
Experience	Currently Director and Chief Operations Officer at CallActive Pty Ltd. Owner/Director of YardStick Concepts Pty Ltd specialising in culture and leadership review and development.  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.
<b>Paul Kirk</b>	Director
Qualifications	Bachelor of Economics and Member, Australian Institute of Company Directors and Member of Chartered Accountants Australia & New Zealand
Experience	A Corporate Advisor, Paul Kirk is a specialist in business strategy and business improvement. He is a Chartered Accountant and previously held the position of senior Partner of PwC, where he led the firm's global Restructuring Practice from Tokyo and New York for a number of years. He has been a Special Advisor to Lazard, a leading Corporate Advisory firm and is also the Managing Director of his own corporate restructuring consultancy, Collins Pitt Associates.
Other responsibilities	Chairman of the Audit Committee
<b>Russell Caplan</b>	Director
Qualifications	Bachelor of Laws, Fellow of the Institute of Company Directors and Fellow of the Australian Institute of Management
Experience	Russell Caplan graduated in Law from Melbourne University in 1968. He joined the Shell Oil Company in Melbourne. In a 42 year career with Shell, he lived in England, Europe and the USA, working over many disciplines and retired in 2010 as Chairman of Shell in Australia.  Russell is Chairman of Orica Limited and a director of Aurizon Holdings Limited. He is Chairman of the Melbourne and Olympic Parks Trust and a Trustee of the Australian Cancer Research Foundation.
<b>Danni Roche OAM</b>	Director
Qualifications	Master of Business Administration
Experience	A lifetime St Kilda supporter, Danni Roche is an Olympic Gold medallist and was a member of the Australian women's hockey team that secured gold at the 1996 Atlanta Olympics. In that same year Danni was also awarded an Order of Australia in recognition of her services to Sport.  With over ten years of experience working in the financial sector, Danni has held finance and commercial positions with Telstra and has also been a Director at UBS, a Partner at Evans and Partners and a Director of a privately owned fraud and risk management business.  Danni was a Director of Hockey Australia for seven years and holds a Master of Business Administration.
Other responsibilities	Member of the Audit Committee
<b>Liz Dawson</b>	Director
Qualifications	Bachelor of Commerce, Trained Teachers' Certificate and New Zealand Ski Instructors' Alliance
Experience	Liz has extensive corporate governance experience across a wide variety of sports organisations including NZ Cricket, NZ Olympic Committee, Hurricanes, The Central Pulse and Westpac Stadium Trust Board.  Liz has held senior and consulting roles in marketing and executive management in Sports, Retail, FMCG and Financial Services companies, in both New Zealand and Australia, including being a member of the Bid Team delivering New Zealand's successful proposal to host the Rugby World Cup in 2011.
<b>Dean Anderson</b>	Director
Appointed	27 July 2015
Qualifications	Bachelor of Economics & Post Graduate Diploma in Finance and Investment
Experience	Currently Client Director, Large Corporates, HSBC Bank Australia Limited and worked in the Banking and Finance industry for 25 years, including 15 years with National Australia Bank Limited. Represented Hawthorn and St Kilda Football Clubs in 150 games including two Premierships with Hawthorn in 1989 and 1991. Over 10 years coaching experience in the Victorian Amateur Football Association and a further 8 years coaching Junior Football.



## DIRECTORS' REPORT (CONTINUED)

### 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
Peter Summers	9	9
Andrew Thompson	9	8
Ian McLeod	2	1
Nathan Burke	2	2
Paul Kirk	9	7
Russell Caplan	9	8
Danni Roche	9	9
Jack Rush	9	6
Liz Dawson	9	9
Matt Finnis	3	3

### Company Secretary

The following person held the position of Company secretary during and at the end of the financial year:

Mr. Yohan Pereira- Bachelor of Business (Accounting), Member of Chartered Accountants Australia and New Zealand. Mr. Pereira has worked for St Kilda Saints Football Club Ltd for the past five years, firstly as the Finance Manager and currently as the General Manager - Finance & Administration. He has held previous roles with Grant Thornton, Origin Energy and United Biscuits UK. Mr. Pereira was appointed Company Secretary on 24th August 2015.

### 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:*

- Return the Club to a profitable financial position through improving revenues from football and non-football related trading activities
- Redevelop sporting and social facilities at our Moorabbin premises
- Increase in our membership base and fan engagement
- Develop our playing list and team performance to provide competitive on-field results
- Attract and retain high quality people into all on and off-field roles
- Establish a supporter base and ongoing sustainable presence in New Zealand
- Establish a Foundation capable of supporting significant infrastructure and community initiatives

*The Company's long term objectives are to:*

- Be a top 4 side that is positioned to be a consistent premierships contender
- Have more than 50,000 members (5,000 in New Zealand)
- Deliver annual profits year on year to enable investment into our key strategic initiatives that will underpin a prosperous future
- Be admired for our culture, built on a foundation of respect and accountability
- Have developed a working environment that continues to attract the very highest calibre of people
- Be a club that has meaningful relationships with our business and community partners
- Have infrastructure and home match stadium returns the equivalent of our competitors.





## DIRECTORS' REPORT (CONTINUED)

### Review and Results of Operations

The consolidated loss before income tax and finance costs is \$562,378 (2014: \$3,640,175). The net loss of the consolidated group for the financial year after providing for income tax, finance costs and asset write-downs is \$847,693 (2014: \$3,912,922)

Excluding depreciation and amortisation expenses the Club produced an operating profit before interest of \$524,649 an improvement on 2014 of \$2,883,593. This turnaround can be attributed to the growth in AFL support and commercial revenues totalling \$2,369,832 (to \$32,605,028) and reductions in operating expenditure of \$707,963 down to \$33,167,408.

Profit from Sponsorship, Fundraising, Hospitality and Events, grew by \$516,617 assisting the club to fund additional spending in the football department, marketing and administration areas. Whilst membership profitability was similar to 2014, member numbers grew by 1,429 (4.7%) to 32,056 (2014: 30,627).

### 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.

### 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 2015 has been received and can be found in page 9 of the directors' report.

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

**Peter Summers**  
President

**Paul Kirk**  
Director

Melbourne  
Dated on this 26<sup>th</sup> November 2015

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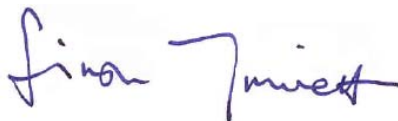
**Auditor's Independence Declaration  
To the Directors of St Kilda Saints Football Club Limited**

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 2015, 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 AUDIT PTY LTD  
Chartered Accountants



S.C. Trivett  
Partner - Audit & Assurance

Melbourne, 26 November 2015

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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 October 2015

	Notes	Consolidated	
		2015	2014
		\$	\$
Operating Revenues	2	<b>32,455,028</b>	30,235,195
Non-operating Revenues	2a	<b>150,000</b>	-
<b>Total Revenue</b>		<b>32,605,028</b>	30,235,195
Administration & Facilities Management		<b>5,302,152</b>	4,906,290
Football		<b>19,598,817</b>	19,288,028
Fundraising		<b>36,472</b>	350,754
Ground & Maintenance		<b>144,477</b>	174,058
Match Day		<b>104,613</b>	-
Membership & Reserved Seats		<b>3,104,811</b>	2,984,596
Merchandise		<b>375,533</b>	776,580
New Zealand		<b>297,698</b>	369,951
Social Club		<b>1,253,232</b>	1,187,076
Sponsorship & Events		<b>2,949,601</b>	3,838,037
<b>Total Expenses</b>		<b>33,167,406</b>	33,875,370
<b>Loss before related income tax expense, finance costs and asset write-down</b>		<b>(562,378)</b>	(3,640,175)
Finance Costs	3	<b>285,315</b>	272,747
<b>Loss before related income tax expense</b>		<b>(847,693)</b>	(3,912,922)
Income tax expense/(benefit)	4	-	-
<b>Loss after related income tax expense</b>		<b>(847,693)</b>	(3,912,922)
Other Comprehensive Income from the year, net of tax		-	-
<b>Total Comprehensive loss for the year</b>		<b>(847,693)</b>	(3,912,922)

The accompanying notes form part of these financial statements.



## STATEMENT OF FINANCIAL POSITION

As at 31 October 2015

	Notes	Consolidated	
		2015	2014
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	7	1,843,943	1,706,554
Trade and other receivables	8	1,224,230	656,188
Inventories	9	87,087	148,199
Other assets	13	176,941	287,608
<b>Total current assets</b>		<b>3,332,201</b>	2,798,549
<b>Non-current assets</b>			
Property, plant and equipment	11	10,411,798	10,999,653
Intangibles	12	852,056	992,510
<b>Total non-current assets</b>		<b>11,263,854</b>	11,992,163
<b>Total assets</b>		<b>14,596,055</b>	14,790,712
<b>Current liabilities</b>			
Trade and other payables	14	6,274,944	3,809,806
Other current liabilities	15	1,374,362	1,105,907
Short-term borrowings	17	106,100	56,652
Employee Benefits	18	708,337	585,005
<b>Total current liabilities</b>		<b>8,463,743</b>	5,557,370
<b>Non-current liabilities</b>			
Trade and other payable	14	245,775	459,047
Other Long term loans	16	2,857,570	2,857,570
Long-term borrowings	17	4,622,100	6,731,701
Employee Benefits	18	148,753	79,217
<b>Total non-current liabilities</b>		<b>7,874,198</b>	10,127,535
<b>Total liabilities</b>		<b>16,337,941</b>	15,684,905
<b>Surplus of net assets/(liabilities)</b>		<b>(1,741,886)</b>	(894,193)
<b>Members' equity</b>			
Contributed equity	19	5	5
Accumulated profits/(losses)		(1,741,891)	(894,198)
<b>Total members' equity</b>		<b>(1,741,886)</b>	(894,193)

The accompanying notes form part of these financial statements.



## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2015

Consolidated Group	Accumulated Profits/(Losses) \$	Contributed Equity \$	Total \$
<b>Balance at 1 November 2013</b>	3,018,724	5	3,018,729
Total comprehensive income (loss) attributable to members of consolidated group	(3,912,922)	-	(3,912,922)
<b>Balance at 31 October 2014</b>	(894,198)	5	(894,193)
Total comprehensive income (loss) attributable to members of consolidated group	(847,693)	-	(847,693)
<b>Balance at 31 October 2015</b>	(1,741,891)	5	(1,741,886)

The accompanying notes form part of these financial statements.



## STATEMENT OF CASH FLOWS

For the year ended 31 October 2015

	Notes	Consolidated	
		2015	2014
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers, members, sponsors & Australian Football League		<b>34,478,330</b>	31,655,112
Moorabbin Redevelopment Funds		<b>150,000</b>	-
Payments to suppliers and employees		<b>(31,419,032)</b>	(34,104,938)
Interest received		<b>15,480</b>	7,670
Finance costs		<b>(285,315)</b>	(272,747)
<b>Net cash flows provided by (used in) operating activities</b>	21(a)	<b>2,939,463</b>	(2,714,903)
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	20,634
Purchase of property, plant and equipment		<b>(528,650)</b>	(550,271)
Purchase of intangible assets		<b>(213,272)</b>	(225,247)
<b>Net cash flows provided by (used in) investing activities</b>		<b>(741,922)</b>	(754,884)
<b>Cash flows from financing activities</b>			
Proceeds from / (repayments of) borrowings		<b>(2,000,000)</b>	2,000,000
Repayment of borrowings		<b>(110,523)</b>	(44,143)
Proceeds from finance leases		<b>50,371</b>	282,496
Proceeds from other loans		-	2,857,570
<b>Net cash flows provided by (used in) financing activities</b>		<b>(2,060,152)</b>	5,095,923
<b>Net increase/(decrease) in cash held</b>		<b>137,389</b>	1,626,136
Add cash at the beginning of the financial year		<b>1,706,554</b>	80,418
<b>Cash and cash equivalents at the end of the financial year</b>	21(b)	<b>1,843,943</b>	1,706,554

The accompanying notes form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2015

### 1. Statement of Significant Accounting Policies

The financial report includes the consolidated financial statements and notes of St Kilda Saints Football Club Limited and St Kilda Football Club Limited, collectively St Kilda Saints Football Club Ltd Consolidated Entity ('Group'). The financial statements were authorised for issue by the directors on the 26th November 2015.

#### Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australia Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations), and the Corporations Act 2001. St Kilda Saints Football Club Limited and St Kilda Football Club Limited are unlisted public companies limited by guarantee and incorporated and domiciled in Australia. The Group is a not-for-profit entity for the purpose of preparing the financial report. The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

#### a) Adoption of New and Revised Accounting Standards

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have a significant impact on the financial performance or position of the Group.

No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

The directors have considered the impact of Accounting Standards and Interpretations issued but not yet effective and do not believe the impact of these will be significant to the financial statements in future reporting periods.

#### b) Going Concern

The financial report has been prepared on the basis that the Group is a going concern.

The Group has reported a net loss of \$847,693 for the year ended 31 October 2015 (2014 net loss: \$3,912,922). At year end the Group has a net asset deficiency of \$1,741,886, (2014 deficiency: \$894,193) and a current asset deficiency of \$5,131,542 (2014: \$2,758,821). The Group's ability to continue as a going concern and meet its debts as and when they fall due is dependent on the Group:

1. Receiving continued financial support from the Australian Football League (AFL) including:
  - a. The continued guarantee of the Group's borrowing facilities with Westpac totalling \$6.75m (currently drawn to \$4.55m) and the availability of credit.
  - b. Funding assistance in 2016 from the Club Future Fund and Revenue Sharing Pool, together with other agreed support package arrangements.
  - c. Loan facility with the AFL enabling the Group to receive periodic advances of monies to pay its creditors
2. Having continued success with other strategic initiatives, profit enhancement plans and fundraising efforts in future years.

In the Directors' opinion, there are reasonable grounds to believe that such funding will continue to be available.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2015

### 1. Statement of significant accounting policies (continued)

#### 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.

#### 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.





## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2015

### 1. Statement of significant accounting policies (continued)

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 Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

#### h) Depreciation and amortisation

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
Leased plant and equipment	5 years	Straight line
Plant and equipment	3 – 20 years	Straight line
Gaming licenses	10 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 Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### i) Leased Assets

##### Finance leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the group is a lessee in this type of arrangement, the related asset is recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance lease liability.

##### Operating 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 an 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:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- 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
- less any reduction for impairment.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### For the year ended 31 October 2015

#### 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 Profit or Loss and Other 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 Profit or Loss and Other 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 and annual 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 of 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 2015

### 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 Profit or Loss and Other 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 the 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, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the 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 2015

### 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 2015 are amounts receivable from four debtors with balances ranging from \$3,294 to \$125,000 and aged greater than the Group's standard trading terms. The doubtful debt provision provides for each of these debtors. The Group will nevertheless be pursuing full payment of these debts.

#### s) Intangibles

##### *Gaming Licences*

Gaming licences that are acquired by the Group are stated currently at cost less accumulated amortisation. The gaming machine entitlements commenced on 16th August 2012 and are effective for 10 years thereafter. It is assessed annually for impairment.

#### t) Football Expenses

Football expenses include football department related costs including total player payments, coaching and support staff remuneration and recruiting costs.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 October 2015

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>2. Revenue</b>		
<b><i>Revenue from Operating Activities</i></b>		
AFL	<b>16,245,840</b>	13,000,004
Finance & Administration	<b>42,734</b>	112,699
Fundraising	<b>216,818</b>	416,558
Match Returns	<b>1,178,933</b>	1,106,716
Membership & Reserved Seats	<b>6,357,296</b>	6,302,454
Merchandise	<b>402,854</b>	840,197
New Zealand	<b>710,807</b>	816,505
Social Club	<b>2,098,039</b>	2,071,464
Sponsorship & Events	<b>5,186,227</b>	5,560,928
	<b>32,439,548</b>	30,227,525
<b><i>Revenue from Other Activities</i></b>		
Interest – Financial institutions	<b>15,480</b>	7,670
<b>Total Revenue from Operating and other Activities</b>	<b>32,455,028</b>	30,235,195
<b>2a. Non-operating Revenue</b>		
Moorabbin Redevelopment Funds	<b>150,000</b>	-
<b>Total Revenue</b>	<b>32,605,028</b>	30,235,195

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 October 2015

	Consolidated	
	2015	2014
	\$	\$
<b>3. Expenses</b>		
<i>Finance costs:</i>		
Financial Institutions	<b>209,070</b>	250,517
Other	<b>76,245</b>	22,230
<i>Total Finance costs</i>	<b>285,315</b>	272,747
<i>Amortisation of:</i>		
Leasehold improvements – Linton Street	<b>13,333</b>	9,571
Leasehold improvements – Linen House Centre	<b>580,711</b>	579,652
<i>Depreciation of:</i>		
Property, plant and equipment	<b>517,534</b>	590,915
Total depreciation and amortisation of property plant and equipment	<b>1,111,578</b>	1,180,138
Amortisation of:		
Licenses – gaming entitlements	<b>125,454</b>	125,454
<i>Net expense including movements in:</i>		
Provision for impairment of receivables	<b>(488,791)</b>	578,421
<i>Net expense for movements in provision for:</i>		
Employee entitlements	<b>192,868</b>	52,543
<i>Rental expense on Operating leases:</i>		
Minimum lease payments	<b>73,215</b>	79,652
<i>Employee Benefit Expenses</i>		
Salary, wages, termination expense and other benefits	<b>20,555,746</b>	19,841,029
Superannuation expense	<b>1,237,438</b>	1,202,641
Total employee benefit expense	<b>21,793,184</b>	21,043,670



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2015

	Consolidated	
	2015	2014
	\$	\$
<b>4. Income Tax Expense</b>		
(a) The components of tax expense comprise		
Current Tax	-	-
Under/(over) provision in respect of prior years	-	-
	-	-
(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Prima facie tax credit on loss before income at 30%	<b>254,308</b>	1,173,876
Less:		
Tax effect of:		
- Unrecognised tax losses and temporary differences	<b>4,426</b>	3,728
- losses exempt from income tax	<b>(258,734)</b>	(1,177,604)
Income tax attributable to the entity	-	-
<b>5. Transactions with Key Management Personnel</b>		
Key management personnel compensation included in employee benefits expenses are:	<b>2,876,735</b>	2,742,018
Number of key management personnel	<b>12</b>	13
<b>6. Auditor's Remuneration</b>		
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	<b>43,750</b>	41,750
- other services	<b>18,000</b>	11,750
	<b>61,750</b>	53,500
<b>7. Cash and Cash Equivalents</b>		
Cash at bank	<b>1,740,935</b>	1,611,099
Cash on hand	<b>103,008</b>	95,455
	<b>1,843,943</b>	1,706,554



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2015

	Consolidated	
	2015	2014
	\$	\$
<b>8. Trade and Other Receivables</b>		
<b>Current</b>		
Trade receivables	<b>1,205,786</b>	1,101,714
Provision for impairment of receivables	<b>(153,635)</b>	(642,426)
	<b>1,052,151</b>	459,288
Other receivables	<b>172,079</b>	196,900
	<b>1,224,230</b>	656,188

### (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 as per note 3.

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

	Opening Balance 01/11/2012	Charge for The year	Amount Written Off	Closing Balance 31/10/2013
	\$	\$	\$	\$
<b>Consolidated Group</b>				
(i) Current Trade Receivables	64,004	594,234	(15,812)	642,426
	Opening Balance 01/11/2014	Charge for The year	Amount Written Off	Closing Balance 31/10/2015
<b>Consolidated Group</b>				
(i) Current Trade Receivables	642,426	2,850	(491,641)	153,635

	Consolidated	
	2015	2014
	\$	\$
<b>9. Inventories</b>		
Merchandise Stock	<b>82,266</b>	140,852
Food & Liquor	<b>4,821</b>	7,347
	<b>87,087</b>	148,199

### 10. Controlled Entities

	Country of incorporation	Controlling Interest	
		2015	2014
St Kilda Football Club Ltd	Australia	100%	100%





## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2015

	Consolidated	
	2015	2014
	\$	\$
<b>11. Property, Plant and Equipment</b>		
<b>Leasehold Improvements</b>		
At cost	12,697,340	12,637,439
Accumulated amortisation	<b>(3,883,442)</b>	(3,289,397)
	<b>8,813,898</b>	9,348,042
<b>Plant and Equipment</b>		
At cost	4,762,064	4,369,772
Accumulated depreciation	<b>(3,328,441)</b>	(2,820,162)
	<b>1,433,623</b>	1,549,610
<b>Capital Works in Progress</b>		
At cost	<b>164,277</b>	102,001
<b>Total property, Plant and Equipment</b>		
At cost	<b>17,623,681</b>	17,109,213
Accumulated depreciation / amortisation	<b>(7,211,883)</b>	(6,109,559)
	<b>10,411,798</b>	10,999,653

### (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
	\$	\$	\$	\$
<b>Consolidated Group:</b>				
Balance at the beginning of year	1,549,610	9,348,042	102,001	10,999,653
Additions	406,474	59,901	62,276	528,650
Disposals	(4,927)	-	-	(4,927)
Transfers	-	-	-	-
Depreciation Expense	(517,534)	(594,045)	-	(1,111,578)
Carrying amount at the end of year	<b>1,433,623</b>	<b>8,813,898</b>	<b>164,277</b>	<b>10,411,798</b>
			<b>2015</b>	2014

### 12. Intangible Assets

#### Gaming Licences

At cost	<b>1,254,540</b>	1,254,540
Accumulated Amortisation	<b>(402,484)</b>	(277,030)
	<b>852,056</b>	977,510

#### Other Intangibles

At cost	-	15,000
Total Intangible Assets	<b>852,056</b>	992,510

### (a) Movement in Carrying Amounts

	Gaming Licences	Other Intangibles	Total
	\$	\$	\$
<b>Consolidated Group:</b>			
Balance at the beginning of year	977,510	15,000	992,510
Additions	-	-	-
Disposal	-	(15,000)	(15,000)
Amortisation charge	(125,454)	-	(125,454)
Carrying value at the end of year	<b>852,056</b>	-	<b>852,056</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2015

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>13. Other Assets</b>		
<b>Current</b>		
Prepayments	<b>176,941</b>	287,608
All amounts are short term and the carrying values are considered to be a reasonable approximation of their value.		
<b>14. Trade and Other Payables</b>		
<b>Current</b>		
Unsecured Liabilities		
Trade payables	<b>4,280,668</b>	2,570,112
Sundry payables & accrued expenses	<b>1,994,276</b>	1,239,694
	<b>6,274,944</b>	3,809,806
Current unsecured liabilities includes a \$3,733,498 trade payable due to the Australian Football League.		
<b>Non Current</b>		
Unsecured Liabilities		
Sundry payables & accrued expenses	<b>245,775</b>	459,047
<b>15. Other Current Liabilities</b>		
Income in advance	<b>1,374,362</b>	1,105,907
<b>16. Other Loans</b>		
<b>Non Current</b>		
Unsecured Liabilities Other loans	<b>2,857,570</b>	2,857,570
The Group currently has a non interest bearing unsecured loan which has a review date of 7th November 2016.		
<b>17. Financial Liabilities</b>		
<b>Current</b>		
Secured Liabilities		
Finance leases	<b>106,100</b>	56,652
<b>Non Current</b>		
Secured Liabilities		
Commercial Bill	<b>4,550,000</b>	6,550,000
Finance leases	<b>72,100</b>	181,701
	<b>4,622,100</b>	6,731,701
Commercial Bill facilities		
Total facilities available	<b>6,750,000</b>	6,750,000
Facilities utilised at balance date	<b>(4,550,000)</b>	(6,550,000)
Facilities not utilised at balance date	<b>2,200,000</b>	200,000



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 October 2015**

The facility is summarised as follows:

The Commercial Bill facility expires on 31st October 2017 and is classified as a non-current liability. The Group has one Commercial Bill outstanding at 31st October 2015. The 30 day Commercial Bill for \$4,550,000 will mature on 27th November 2015 at an interest rate of 3.19%.

Security

Guarantee limited to \$6,750,000 given by the Australian Football League ACN 004 155 211 to expire on 31st October 2017.

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

	<b>Consolidated</b>	
	<b>2015</b>	2014
	<b>\$</b>	<b>\$</b>
<b>18. Employee Benefits</b>		
<b>Current</b>		
Annual Leave	<b>524,870</b>	385,598
Long Service Leave	<b>183,467</b>	199,407
	<b>708,337</b>	585,005
<b>Non Current</b>		
Long Service Leave	<b>148,753</b>	79,217
<b>(a) Aggregate Employee Entitlements</b>	<b>857,090</b>	664,222
<b>(b) Number of Employees</b>		
Number of full time employees at year end	<b>79</b>	74

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.

**19. Issued Capital**

5 fully paid ordinary shares	<b>5</b>	5
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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 32,056 members (2014: 30,627).

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 2015

**Consolidated**

2015	2014
\$	\$

**20. 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:

not later than one year	<b>90,991</b>	97,556
later than one year and not later than five years	<b>298,188</b>	320,336
later than five years	<b>1,310,509</b>	1,378,587
	<b>1,699,688</b>	1,796,479

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 1<sup>st</sup> 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 31st October 2011.

**(b) Minimum Player Payments**

not later than one year	<b>7,640,191</b>	6,784,122
later than one year and not later than five years	<b>6,025,000</b>	5,912,000
later than five years	-	-
	<b>13,665,191</b>	12,996,122

**(c) Finance Lease Commitments**

The Group has a number of finance lease commitments of plant and equipment with a current carrying value of \$278,904.

not later than one year	<b>106,100</b>	80,542
later than one year and not later than five years	<b>72,103</b>	181,701
later than five years	-	-
	<b>178,203</b>	262,243

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 October 2015

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>21. Cash Flow information</b>		
<b>(a) Reconciliation of cash flow from operations with profit after income tax</b>		
Profit/(loss) after income tax	<b>(847,693)</b>	(3,912,922)
Non cash flows in profit from ordinary activities		
– Net (profit)/loss on disposal or write-off of property & equipment	<b>4,927</b>	(1,056)
– Gift of plant and equipment	-	(350,000)
– Depreciation and Amortisation of non-current assets	<b>1,237,032</b>	1,305,592
– Bad debts expense	<b>15,000</b>	-
<b>Changes in assets and liabilities</b>		
– (Increase) / decrease in trade and other receivables	<b>(568,043)</b>	111,357
– (Increase) / decrease in inventory	<b>61,112</b>	116,068
– (Increase) / decrease in other assets	<b>110,668</b>	(62,807)
– Increase / (decrease) in employee benefits	<b>192,867</b>	52,544
– Increase / (decrease) in other current liabilities	<b>268,456</b>	581,466
– Increase / (decrease) in trade and other payables	<b>2,465,137</b>	(555,145)
Cash flow from operations	<b>2,939,463</b>	(2,714,903)
<b>(b) Reconciliation of cash</b>		
Cash balance comprises:		
– cash at bank	<b>1,740,935</b>	1,611,099
– cash on hand	<b>103,008</b>	95,455
Closing cash balance	<b>1,843,943</b>	1,706,554

**22. 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 2015

### 23. Contingent Liabilities

There are no contingent liabilities that have been incurred by the Group in relation to 2015.

### 24. 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.

### 25. 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 10 to 29, are in accordance with the Corporations Act 2001 and:
  - a. comply with Australian Accounting Standards Reduced Disclosure Requirements and the Corporations Regulations 2001; and
  - b. give a true and fair view of the financial position as at 31 October 2015 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.

**Peter Summers**  
**President**

**Paul Kirk**  
**Director**

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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 2015, the consolidated statement of profit or loss and other 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 year 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 in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **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. Those standards 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 of the financial report that gives a true and fair view 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, the financial report of St Kilda Saints Football Club Limited is in accordance with the Corporations Act 2001, including:

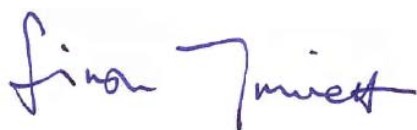
- i giving a true and fair view of the consolidated entity's financial position as at 31 October 2015 and of its performance for the year ended on that date; and
- ii complying with Australian Accounting Standards- Reduced Disclosure Requirements and the Corporations Regulations 2001.

### **Emphasis of matter**

Without qualifying our opinion, we draw attention to Note 1(b) in the financial report which indicates that the Company incurred a net loss of \$847,693 during the year ended 31 October 2015 and, as of that date, the Company's liabilities exceeded its assets by \$1,741,886. These conditions, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



S.C. Trivett  
Partner - Audit & Assurance

Melbourne, 26 November 2015





