

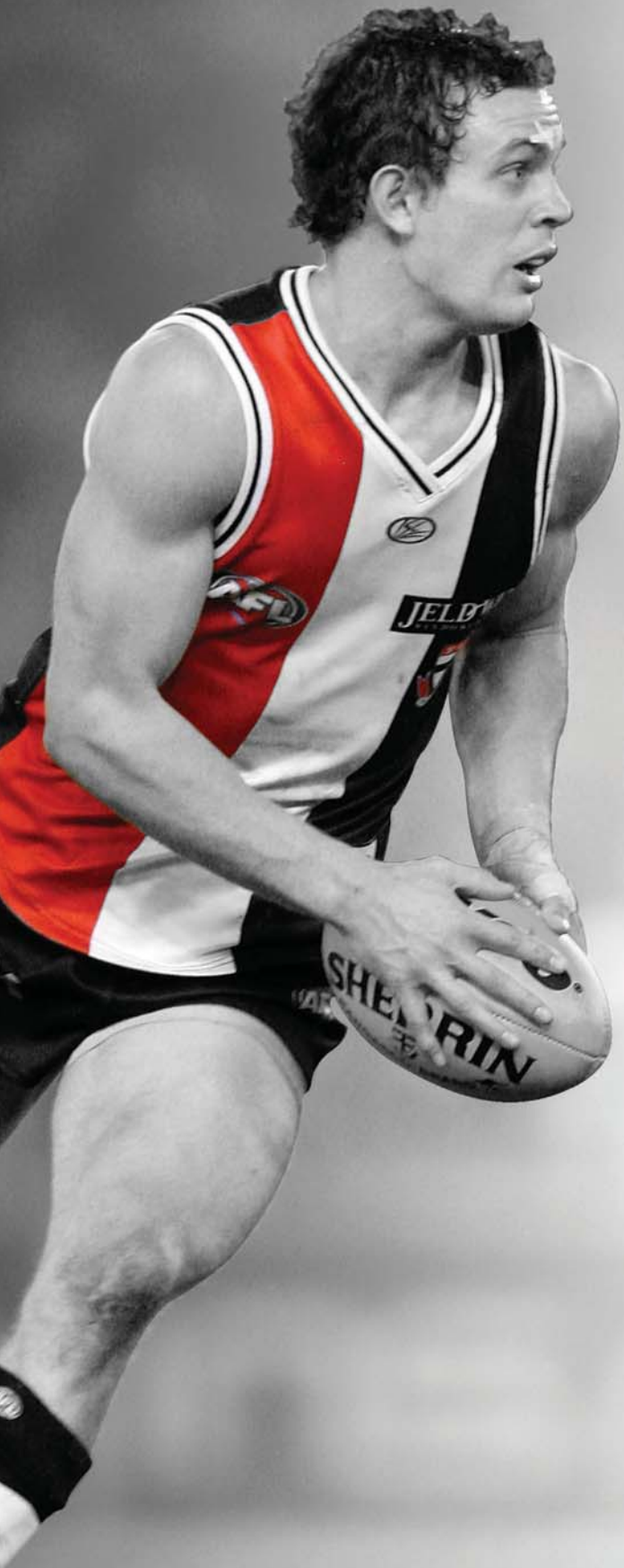
ST KILDA SAINTS FOOTBALL CLUB LIMITED  
ABN 86 005 174 836

# ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING 31 OCTOBER 2008



**JELD WEN**  
WINDOWS & DOORS







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## PRESIDENT'S REPORT

In 2009, we start a new campaign with renewed vigour and eagerly await the season ahead, which is fast approaching.

Our mighty Saints head to the Gold Coast for our first NAB Cup match against Brisbane on Saturday 14 February and our season opener against Sydney is only 8 weeks away on Saturday 28 March.

It is a great privilege to have the opportunity to guide our proud Club and I would like to thank all our Members for their support in the initial year of the Football First Board.

Every year the on-field contest and off-field environment becomes increasingly competitive. St Kilda Football Club has many challenges to ensure that it can stay at the forefront of the national competition. 2008 certainly highlighted the depth and intensity of the competition and we can take nothing for granted particularly as we head into uncertain financial times. As the President, I can assure you that the St Kilda Football Club Board is working very hard to ensure our Club has every chance of achieving the success it has for so long sought.

It is a great credit to the playing group, our coaching staff and Executive team that we achieved a high level of on-field success during the 2008 season. A win in the NAB Cup competition and a barn-storming finish into the top four, before making our third Preliminary Final in five years was a significant improvement on the previous two years where we finished 8th and 9th.

You would recall that at this time last year, I spoke about how we would execute on our Football First strategy. Considerable investment was made in strengthening the Football Department which desperately needed a new dynamic to fast track the changes necessary to become more competitive. New and necessary management appointments were made, new equipment was purchased and a strategic increase in our medical staff resources all had a dramatic impact on our on-field performance.

When excluding termination payments, an additional \$1.4m was spent specifically on football, taking total football expenditure in 2008 to \$13.9m - up from \$12.5m in 2007. Even with this increased investment, we are only moderately in front of the 2007 average AFL Club football department spend of \$13.3m, with several Clubs spending well in excess of these figures.

There was therefore a considered strategy to keep our best personnel on the ground, after many frustrating years of debilitating soft tissue injuries. This was a priority and the success was obvious. As an example, the outstanding performance of Max Hudgton and Robert Harvey finishing among the elite of our players in the Club Best & Fairest we firmly believe went some way to validating the Football First platform.

During 2008 we also bought a considerable focus to our player list management structures. We believed that this was an area of critical importance that had lacked appropriate structure, resources and strategy over recent years. Talent identification and player development programs are fundamental to our enduring success.

St Kilda Football Club must be at the forefront of the competition in these areas for it to have any chance of success. Your Board will continue to look to set new standards in attracting and developing the best young talent available to it.

These recent changes have transformed the shape of our playing list. With our average player age now 23 years and 79 days, 60% of our players are under 25.

There were expenses in the list management area that were not anticipated. These expenses were \$224,000 which included establishing our exciting new talent program in Ireland, development and expansion of our interstate rookies, and the early termination of a player's contract.

Quite clearly the objective of being involved in the AFL competition is to stand on top of the podium to accept the Premiership Cup on the last Saturday in September. This is what drives the Board and certainly engages all those involved in the Club for the entire twelve months of the year.

On-field performance has a material impact on our financial performance as well. The imperative is therefore that we must perform week in, week out for 22 rounds, to make the AFL Finals. It is interesting to note that only 1 team outside the top four has ever won the Premiership in the modern history of the AFL. We therefore must strive to finish the home and away season as one of the leading four teams if we are going to deliver a premiership. The task of developing sponsors and growing membership is critical to our ongoing prosperity and is closely aligned to our football performance.

In itself a top four finish is not a financial panacea. Previously structured bonus payments and finals player match payments unfortunately offset our finals income, including prize money of \$150,000. In 2008, the Club made a \$35,000 loss from its Finals appearances so it is very disappointing that we played in front of more than 200,000 fans during our 3 finals games, including a stirring victory over Collingwood, and the Club did not benefit financially.

The Board was committed to resolving several long standing disputes with various parties during 2008. The Grant Thomas litigation in particular had become in our view a significant distraction to our cause, an impost on our Members and had potential to cause long term damage to the Saints brand and our Club.



## PRESIDENT'S REPORT (continued)

It was critical that it was resolved and unfortunately it came at a great financial and emotional cost to both parties.

We also finalised an on-going legal dispute with Kingston City Council over the status of our building facilities at Moorabbin.

Unfortunately, the resolution of these matters resulted in the Club incurring legal fees and settlement costs to the extent of \$295,000 even taking into account the provision we made for the Thomas matter in the 2007 financial year.

With the resolution of our dispute with Kingston Council, the demolition of the grandstand has commenced.

While it is sad to see a large part of our history reduced to rubble, we are pleased that our transition from Moorabbin to Seaford is gaining momentum with each passing day. Our new world-class training facility with completion due in mid 2010 is well advanced in the planning stage.

Members will begin to see the reality of the superb work of our Executive team over the past 18 months take shape and building works commence in mid 2009. This complex will be a tremendous asset for the Club as we seek to gain every possible competitive advantage on and off the field.

Your Football First Board continues to be committed to providing your Club with the vital opportunities that will keep it at the forefront of the AFL competition. We believe our new Seaford development will go some way to bridging the current gap between a revitalised St Kilda Football Club and the more financial Clubs who enjoy more favourable commercial arrangements, including lucrative stadium deals, than St Kilda.

We continue to believe it is necessary to invest more in recognising the Club's Members.

In 2008 we provided all Members with a cap and a scarf with their membership. Whilst little things like this may seem insignificant we hope it underscores the focus we are bringing to our Members. To this extent, the feedback our membership team received from Members during the year was outstanding.

It was of course most pleasing to see that our Commercial Operations department achieved its membership budget of \$5.72m.

Our membership number of 30,700 was, in real terms, a record for the Club. Our membership is a real and transparent membership position. There are very few corporate memberships, non-ticketed discount memberships and no pet memberships in this figure. We therefore have more than 30,000 genuine committed and loyal Saints Members.

It is also most heartening to see our 2009 membership tracking ahead of 2008. A testament we would hope, to our on-field performance in 2008.

We of course need every 2008 Member to renew in 2009. At the 2008 JELD-WEN Best & Fairest night, I asked all Saints Members to encourage their friends and mates to join up. I urge you to help us drive our membership higher – we need more Members.

It is a critical revenue stream that keeps your Club alive and prosperous.

From a sponsorship and hospitality corporate perspective, we had a poor year.

Our sponsorship and hospitality corporate revenue was indeed disappointing in 2008, impacted substantially by our commercial stadium arrangements, an increase in personnel in the Commercial Operations department, the phasing of our major partner JELD-WEN's financial arrangement and the unexpected and late withdrawal of our apparel partner at the end of the 2007 season.

Sponsorship revenue was therefore \$656,000 down against a budget of \$3.54m.

It is pleasing to advise that we have already renewed the vast majority of our key commercial partners for 2009. Together with a significant increase in the year 2 contribution from JELD-WEN we are confident that we will be in a stronger financial position in 2009.

We are excited to have JELD-WEN Windows & Doors as our major partner again this year. The JELD-WEN major sponsorship has seen the development of a strong working partnership and we again look forward to delivering on the brand profile and promotional requirements for JELD-WEN this year.

As part of their sponsorship deal, the Club made several significant investments in servicing the sponsorship agreement. Importantly JELD-WEN's contribution to the Club increases significantly in 2009.

In 2008 our revenue from match day functions was down \$433,000 against a conservative budget.

Disappointingly the economics of match day functions saw a significant slice of the revenue go to the stadium caterer and other venue suppliers, leaving the Club with a limited margin.





## PRESIDENT'S REPORT (continued)

As a consequence we have made the decision to substantially remodel our match day options. We have returned the prime corporate dining seats to our Members and sales to date are incredibly encouraging. This decision was sensible and reflected more appropriately the requirements of our Members.

This issue however highlights the Club's need for a much improved stadium deal. We are working with the AFL on this vital issue, however, this is taking longer than both the Club and the AFL would like. A new and significantly improved stadium deal is an essential part of the future revenue stream of our Club.

As everyone is well aware the majority of AFL Clubs generate substantial revenues from gaming machines. In 2008 the Club's financial performance was impacted by an industry wide decline in revenue from gaming machines. We were fortunate to limit the size of the decrease of the net profit to \$151,000.

It is of course disappointing to announce that although we received \$350,000 in prize money from winning the NAB Cup, the 2008 year produced a loss before finance costs and write off of assets of \$198,957, and a Net Loss of \$445,566.

While a lot of hard work is required by all involved with the Club, I am confident about the direction the Board has set for 2009.

We have extended Ross Lyon's contract for a further two years, appointed Leigh Tudor from Geelong as an Assistant Coach and the exciting alignment with Sandringham in the VFL has added Andy Lovell to our coaching ranks.

We need you our Members to renew if you haven't done so already. If you have joined up, thank you for supporting the Club either for the first time or once again. Your support is vital. We need you to be our recruiting officers by encouraging your family and friends to join as members in 2009.

You are the lifeblood of this Club and your loyalty and support is synonymous with our success.

We have a team of dedicated and professional staff who work at the St Kilda Football Club and I would like to thank them for their efforts in 2008 and in preparation for 2009.

I would also like to thank JELD-WEN our major partner and our support sponsors as well as our many corporate partners for continuing to support the Club in 2008 and into 2009 - particularly so in these difficult economic times.

Lastly I'd like to wish Ross Lyon and his team every success for season 2009.

Go Saints!

Greg Westaway  
President



## Directors' Report

Your directors submit their report on the company and its controlled entities for the year ended 31 October 2008.

### 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

#### Experience

Director of Gregorys Transport Pty Ltd, Director of Westhall Enterprises Pty Ltd, Director of various private companies, General Manager of B.J Ahern Transport Pty Ltd

#### Other responsibilities

Chairman of Meetings

### Ross Levin

Vice President

#### Qualifications

Bachelor of Laws, Bachelor of Economics, Graduate Diploma Labour Law

#### Experience

20 Years practising solicitor. Partner of Rigby Cooke. Formally a Partner and Advise to PriceWaterHouse Coopers, and previously Allens Arthur Robinson, Government and some of Australia's Largest Companies; Board member of Melbourne University Advisory Board for Labour law.

### Nathan Burke

Appointed 6<sup>th</sup> December 2007

Director

#### Qualifications

Diploma of Teaching

#### Experience

Currently 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.

### 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

Currently a Partner; Fetter Gdanski Solicitors for 12 years. Worked at Freehill Hollingdale & Page for four years and Clayton Utz for four years. Heavily involved in the Building and Construction Industry.

### Simon Grant

Director

#### Qualifications

Bachelor of Laws & Bachelor of Commerce

#### Experience

Currently Chief Executive Officer, Australia & America for MacarthurCook Ltd. Previously over 16 years senior executive/managerial experience, including with SAI Private Group, Australian Unity, Fosters Brewing Group and Datacraft. Experienced in business strategy, corporate governance and business law.

#### Other responsibilities

Chairman Audit and Compliance Committee



**Directors' report (continued)**

**Michael Nettlefold**

Appointed 14<sup>th</sup> August 2008

Director

Experience

Currently 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 Football Club between 1983-1985 (total of 74 matches including 2 finals).

**Andrew Thompson**

Qualifications

Director

Diploma of Financial Planning

Experience

Investment advisor for BGF Capital. 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.

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:

	<b>Number of meetings eligible to attend</b>	<b>Number of meetings attended</b>
Greg Westaway	11	10
Ross Levin	11	10
Nathan Burke	10	9
John Gdanski	11	11
Simon Grant	11	9
Michael Nettlefold	4	3
Andrew Thompson	11	11

**Directors Remuneration**

Disclosure relating to directors' remuneration has been included in Note 23 of the financial report.

**Company Secretary**

The following person held the position of company secretary 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 four years, firstly as the Finance Manager and currently as the Chief Financial Officer. He was previously employed by William Buck as a Senior Auditor. Mr. van Lint was appointed Company Secretary on 6th July 2007.





## Directors' Report (continued)

### 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.

### Review and Results of Operations

The consolidated loss before income tax, finance costs and asset write-down is \$198,957 (2007 profit: \$198,757). The net loss of the consolidated group for the financial year after providing for income tax, finance costs and asset write-downs is \$445,566 (2007: \$414,027).

A review of the operations is contained in the President's Report on pages 3 - 5.

### Financial Position

The deficiency in net assets of the consolidated group has increased from a deficiency of \$816,408 at 31 October 2007 to a \$1,261,974 deficit at 31 October 2008.

### Significant Changes in State of Affairs

On the 17th September 2008 St Kilda Saints Football Club Ltd announced it will be relocating its football and administration operations to a new facility to be built at Belvedere Park in the City of Frankston.

### 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.

### Dividends Paid or Recommended

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

### 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 totalling \$4,500 (2007: \$5,000) 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.



## Directors' Report (continued)

### Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 October 2008 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.

A handwritten signature in black ink, appearing to read 'Greg Westaway'.

**Greg Westaway**  
President

Melbourne

Dated on this 3rd day of February 2009.

A handwritten signature in black ink, appearing to read 'Ross Levin'.

**Ross Levin**  
Vice President



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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 2008, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b No contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON  
Chartered Accountants

Ken Glynn  
Partner

Melbourne, 3 February 2009





## Income Statement

For the year ended 31 October 2008

	Notes	Consolidated Group		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Operating Revenues	2(a)	<b>22,993,779</b>	22,618,528	<b>23,113,147</b>	22,758,538
Non-Operating Revenues	2(b)	<b>459,990</b>	66,358	<b>459,990</b>	66,358
Revenue from Significant Items	2(c)	<b>250,000</b>	250,000	<b>250,000</b>	250,000
<b>Revenues from ordinary activities</b>		<b>23,703,769</b>	22,934,886	<b>23,823,137</b>	23,074,896
Finance & Administration		<b>2,545,524</b>	2,159,090	<b>2,608,061</b>	2,068,612
Football expenses		<b>14,111,379</b>	13,040,653	<b>14,111,379</b>	13,040,653
Fundraising		<b>114,547</b>	101,527	<b>114,547</b>	101,527
Ground & Maintenance		<b>107,304</b>	132,510	<b>107,304</b>	132,510
Membership & Reserved Seats		<b>2,331,890</b>	2,050,526	<b>2,331,890</b>	2,050,526
Merchandise		<b>630,953</b>	527,336	<b>630,953</b>	527,336
Social Gaming		<b>682,519</b>	720,864	<b>682,519</b>	814,864
Sponsorship & Events		<b>3,378,610</b>	4,003,623	<b>3,378,610</b>	4,003,623
<b>Total Expenses from ordinary activities</b>		<b>23,902,726</b>	22,736,129	<b>23,965,263</b>	22,739,651
<b>Profit/(Loss) before related income tax expense, finance costs and asset write-down</b>		<b>(198,957)</b>	198,757	<b>(142,126)</b>	335,245
Finance costs	3	<b>64,743</b>	44,344	<b>64,743</b>	44,344
Write-down of assets	3	<b>189,508</b>	568,440	<b>123,716</b>	568,440
<b>Profit/(Loss) before related income tax expense</b>		<b>(453,208)</b>	(414,027)	<b>(330,585)</b>	(277,539)
Income tax expense relating to ordinary activities	4	<b>(7,642)</b>	-	-	-
<b>Profit/(Loss) from ordinary activities after related income tax expense</b>		<b>(445,566)</b>	(414,027)	<b>(330,585)</b>	(277,539)

The accompanying notes form part of these financial statements.



## Balance Sheet

As at 31 October 2008

	Notes	Consolidated Group		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Cash and cash equivalents	7	1,478,319	1,160,173	1,478,314	1,160,168
Trade and other receivables	8	606,610	638,924	602,800	622,071
Inventories	9	226,073	110,312	226,073	110,312
Other assets	12	304,839	226,844	304,839	220,594
<b>Total current assets</b>		<b>2,615,841</b>	<b>2,136,253</b>	<b>2,612,026</b>	<b>2,113,145</b>
<b>Non-current assets</b>					
Trade and other receivables	8	-	-	922,237	895,018
Property, plant and equipment	11	1,326,787	1,030,311	936,197	560,290
<b>Total non-current assets</b>		<b>1,326,787</b>	<b>1,030,311</b>	<b>1,858,434</b>	<b>1,455,308</b>
<b>Total assets</b>		<b>3,942,628</b>	<b>3,166,564</b>	<b>4,470,460</b>	<b>3,568,453</b>
<b>Current liabilities</b>					
Trade and other payables	13	2,229,455	2,184,239	2,221,776	2,165,598
Other current liabilities	14	1,233,242	3,191	1,233,242	3,191
Short-term borrowings	15	1,468,588	1,600,000	1,468,588	1,600,000
Short-term provisions	16	244,870	178,837	244,870	178,837
<b>Total current liabilities</b>		<b>5,176,155</b>	<b>3,966,267</b>	<b>5,168,476</b>	<b>3,947,626</b>
<b>Non-current liabilities</b>					
Other long-term provisions	16	28,447	16,705	28,447	16,705
<b>Total non-current liabilities</b>		<b>28,447</b>	<b>16,705</b>	<b>28,447</b>	<b>16,705</b>
<b>Total liabilities</b>		<b>5,204,602</b>	<b>3,982,972</b>	<b>5,196,923</b>	<b>3,964,331</b>
<b>Deficiency of net assets</b>		<b>(1,261,974)</b>	<b>(816,408)</b>	<b>(726,463)</b>	<b>(395,878)</b>
<b>Members' equity</b>					
Contributed equity	17	5	5	-	-
Accumulated losses		(1,261,979)	(816,413)	(726,463)	(395,878)
<b>Total members' equity</b>		<b>(1,261,974)</b>	<b>(816,408)</b>	<b>(726,463)</b>	<b>(395,878)</b>

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity

For the year ended 31 October 2008

	Retained Earnings	Contributed Equity	Total
<b>Consolidated Group</b>			
<b>Balance at 1 November 2006</b>	(402,386)	5	(402,381)
Profit attributable to members of parent entity	(414,027)	-	(414,027)
<b>Balance at 31 October 2007</b>	(816,413)	5	(816,408)
Profit attributable to members of parent entity	(420,566)	-	(420,566)
<b>Balance at 31 October 2008</b>	(1,261,979)	5	(1,261,974)
<b>Parent Entity</b>			
<b>Balance at 1 November 2006</b>	(1,459,493)	-	(1,459,493)
Acquisition of St Kilda Saints Ltd – Retained earnings	1,341,154	-	1,341,154
Profit attributable to members of parent entity	(277,539)	-	(277,539)
<b>Balance at 31 October 2007</b>	(395,878)	-	(395,878)
Profit attributable to members of parent entity	(330,585)	-	(330,585)
<b>Balance at 31 October 2008</b>	(726,463)	-	(726,463)

The accompanying notes form part of these financial statements.





## Cash Flow Statement

For the year ended 31 October 2008

	Notes	Consolidated Group		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
<b>Cash flows from operating activities</b>					
Receipts from customers, members, sponsors & AFL		24,773,219	22,165,966	24,869,712	22,295,073
Frankston redevelopment funds		1,790,250	-	1,790,250	-
Payments to suppliers and employees		(25,477,959)	(23,881,713)	(28,585,474)	(23,882,233)
Interest received		65,733	66,358	65,733	66,358
Finance costs		(64,743)	(51,318)	(64,743)	(51,318)
<b>Net cash flows provided by (used in) operating activities</b>	21(a)	<b>1,086,500</b>	<b>(1,700,707)</b>	<b>1,075,478</b>	<b>(1,572,120)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(649,467)	(197,315)	(605,648)	(185,782)
Proceeds from sale of property, plant and equipment		12,525	4,000	6,947	69,329
<b>Net cash flows provided by (used in) investing activities</b>		<b>(636,942)</b>	<b>(193,315)</b>	<b>(598,701)</b>	<b>(116,453)</b>
<b>Cash flows from financing activities</b>					
Receipts from controlled entity		-	-	(27,219)	(205,449)
Proceeds from borrowings		500,000	1,600,000	500,000	1,600,000
Repayment of borrowings		(1,600,000)	(1,000,000)	(1,600,000)	(1,000,000)
<b>Net cash flows provided by (used in) financing activities</b>		<b>(1,100,000)</b>	<b>600,000</b>	<b>(1,127,219)</b>	<b>394,551</b>
<b>Net increase/(decrease) in cash held</b>		<b>(650,442)</b>	<b>(1,294,022)</b>	<b>(650,442)</b>	<b>(1,294,022)</b>
<b>Add cash at the beginning of the financial year</b>		<b>1,160,173</b>	<b>2,454,195</b>	<b>1,160,168</b>	<b>1,999,985</b>
<b>Add cash transferred from Social Club</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>454,205</b>
<b>Cash and cash equivalents at the end of the financial year</b>	21(b)	<b>509,731</b>	<b>1,160,173</b>	<b>509,726</b>	<b>1,160,168</b>

The accompanying notes form part of these financial statements.



## Notes to the financial statements

For the year ended 31 October 2008

### 1. Summary of Significant Accounting Policies

The financial report includes the consolidated financial statements and notes of St Kilda Saints Football Club Ltd and controlled entity ("consolidated group" or "Group"), and the separate financial statements and notes for St Kilda Saints Football Club Ltd as an individual parent entity ('Parent Entity').

#### Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative 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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. 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) 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 currently has a net deficiency in tangible assets. Despite this fact, 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 to continue to fund its ongoing operations.

#### b) 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 2008

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

#### c) 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 profit 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 (revenue) 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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where legally enforceable right to set-off exists and it is intended that net settlement of simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where legally enforceable right to set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### d) Inventories

Inventories are measured at lower of cost and net realisable value. Cost is based on an actual weighted average.





**Notes to the financial statements (continued)**

For the year ended 31 October 2008

**1. Summary of significant accounting policies (continued)**

**e) 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.

**f) Plant & 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 income statement during the financial period in which they are incurred.

**g) Depreciation** The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, 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	10 – 20 years	Straight line
Plant and equipment	2 – 15 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 income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**h) 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.



## Notes to the financial statements (continued)

For the year ended 31 October 2008

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

#### i) Financial Instruments

##### Recognition and Initial Measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

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

##### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred or another party whereby the entity no longer has any continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The differences between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

##### Classification and Subsequent Measurement

###### (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 income statement.

#### j) 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 income statement.

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.



## Notes to the financial statements (continued)

For the year ended 31 October 2008

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

#### k) 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.

#### l) 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.

#### m) 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.

#### n) 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. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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 in those goods.



## Notes to the financial statements (continued)

For the year ended 31 October 2008

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

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 Income Statement 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.

#### o) 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 income in the period in which they are incurred.

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

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

#### q) Comparative Figures

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

#### 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 in accounts receivable at 31 October 2008 are amounts receivable from three debtors with the following amounts; \$6000, \$32,083 and \$78,829. The doubtful debt provision provides each of these debtors. The company will nevertheless be pursuing full payment of these debts.



**Notes to the financial statements (continued)**

For the year ended 31 October 2008

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>2. Revenue</b>				
<b><u>(a) Operating Activities</u></b>				
AFL & Gate Receipts	8,812,117	7,929,959	8,812,117	7,929,959
Finance & Administration	35,719	59,116	155,087	199,126
Fundraising	212,545	172,039	212,545	172,039
Membership & Reserved Seats	5,711,464	5,622,580	5,711,464	5,622,580
Merchandise	802,690	746,706	802,690	746,706
Social / Gaming	1,254,693	1,444,312	1,254,693	1,444,312
Sponsorship & Events	6,164,551	6,643,816	6,164,551	6,643,816
	<b>22,993,779</b>	<b>22,618,528</b>	<b>23,113,147</b>	<b>22,758,538</b>
<b><u>(b) Non-operating Revenues</u></b>				
Frankston Redevelopment Funds	394,258	-	394,258	-
Interest Received	65,732	66,358	65,732	66,358
	<b>459,990</b>	<b>66,358</b>	<b>459,990</b>	<b>66,358</b>
<b><u>(c) Significant Revenues</u></b>				
AFL – Waverley Park Proceeds	250,000	250,000	250,000	250,000
<b>Revenues from Ordinary Activities</b>	<b>23,703,769</b>	<b>22,934,886</b>	<b>23,823,137</b>	<b>23,074,896</b>





## Notes to the financial statements (continued)

For the year ended 31 October 2008

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>3. Expenses</b>				
<i>Finance costs:</i>				
External	<b>64,743</b>	44,344	<b>64,743</b>	44,344
<i>Amortisation of:</i>				
Leasehold improvements	<b>73,954</b>	73,328	<b>21,171</b>	21,376
<i>Depreciation of:</i>				
Property, plant and equipment	<b>188,501</b>	171,945	<b>188,501</b>	194,734
Total depreciation and amortisation	<b>262,455</b>	245,273	<b>209,672</b>	216,110
<i>Net expense including movements in:</i>				
Provision for impairment of receivables	<b>(1,671)</b>	81,455	<b>(1,671)</b>	81,455
<i>Net expense for movements in provision for:</i>				
Employee entitlements	<b>77,775</b>	582	<b>77,775</b>	582
<i>Rental expense on Operating leases:</i>				
Minimum lease payments	<b>120,288</b>	157,224	<b>105,608</b>	74,724
<i>Net loss/(gain) on disposal of non-current assets:</i>				
Property, plant and equipment	<b>12,399</b>	9,157	<b>13,122</b>	9,157
<i>Net write-down of assets</i>				
Redevelopment expenditure	<b>123,716</b>	568,440	<b>123,716</b>	568,440
Leasehold Improvements	<b>65,792</b>	-	-	-
Total net write-down of assets	<b>189,508</b>	568,440	<b>123,716</b>	568,440
<i>Employee Benefit Expenses</i>				
Salary, wages and termination expense	<b>13,307,786</b>	12,071,564	<b>13,307,786</b>	12,071,564
Superannuation expense	<b>760,193</b>	743,508	<b>760,193</b>	743,508
Total employee benefit expense	<b>14,067,979</b>	12,815,072	<b>14,067,979</b>	12,815,072



**Notes to the financial statements (continued)**

For the year ended 31 October 2008

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>4. Income Tax Expense</b>				
a) The components of tax expense comprise				
Current Tax	-	7,642	-	-
Under/(over) provision in respect of prior years	<b>(7,642)</b>	(7,642)	-	-
	<b>(7,642)</b>	-	-	-
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%	<b>135,962</b>	124,208	<b>99,176</b>	83,262
Add:				
Tax effect of:				
- Under / (over) provision in respect of prior years	<b>(7,642)</b>	(7,642)	-	-
- Sundry items	-	7,642	-	-
Less:				
Tax effect of:				
- Unrecognised tax losses and temporary differences	<b>(36,786)</b>	(40,946)	-	-
- (Profit) / losses exempt from income tax	<b>(99,176)</b>	(83,262)	<b>(99,176)</b>	(83,262)
Income tax attributable to the entity	<b>(7,642)</b>	-	-	-
<b>5. Key Management Personnel Compensation</b>				
- Short-term benefits	<b>1,199,094</b>	1,035,789	<b>1,199,094</b>	1,035,789
- Post employment benefits	<b>60,906</b>	56,028	<b>60,906</b>	56,028
- Termination benefits	-	49,137	-	49,137
	<b>1,260,000</b>	1,140,954	<b>1,260,000</b>	1,140,954
<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>28,000</b>	37,000	<b>25,500</b>	31,000
- other services	<b>10,000</b>	2,850	<b>10,000</b>	2,850
	<b>38,000</b>	39,850	<b>35,500</b>	33,850
<b>7. Cash and Cash Equivalents</b>				
Cash at bank	<b>1,365,044</b>	1,050,458	<b>1,365,044</b>	1,050,458
Cash on hand	<b>113,275</b>	109,715	<b>113,270</b>	109,710
	<b>1,478,319</b>	1,160,173	<b>1,478,314</b>	1,160,168



## Notes to the financial statements (continued)

For the year ended 31 October 2008

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>8. Trade and Other Receivables</b>				
<b>Current</b>				
Trade receivables	479,223	519,797	479,223	519,797
Provision for impairment of receivables	(119,366)	(121,037)	(119,366)	(121,037)
	<b>359,857</b>	398,760	<b>359,857</b>	398,760
Other receivables	246,753	240,164	242,943	223,311
	<b>606,610</b>	638,924	<b>602,800</b>	622,071
<b>Non-Current</b>				
Amounts receivable from controlled entities	-	-	922,237	895,018

### (a) Aged Analysis of Trade Receivables

	2008		2007	
	Gross	Allowance	Gross	Allowance
Not past due	249,122	-	271,979	-
Past due 0 – 30 days	71,227	-	93,181	(16,000)
Past due 31 – 60 days	5,550	-	61,309	(16,000)
Past due over 60 days	153,324	(119,366)	93,328	(89,037)
	<b>479,223</b>	(119,366)	519,797	(121,037)

### (b) Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing loans and generally on 30 day terms. Non-current 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 01/11/2006	Charge for The year	Amount Written Off	Closing Balance 31/10/2007
<b>Consolidated Group</b>				
(i) Current Trade Receivables	39,582	86,000	(4,545)	121,037
<b>Parent Entity</b>				
(i) Current Trade Receivables	39,582	86,000	(4,545)	121,037
	Opening Balance 01/11/2007	Charge for The year	Amount Written Off	Closing Balance 31/10/2008
<b>Consolidated Group</b>				
(i) Current Trade Receivables	121,037	84,829	(86,500)	119,366
<b>Parent Entity</b>				
(i) Current Trade Receivables	121,037	84,829	(86,500)	119,366

There are no balances within trade and other receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.



## Notes to the financial statements (continued)

For the year ended 31 October 2008

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>9. Inventories</b>				
Merchandise Stock	203,390	74,799	203,390	74,799
Food & Liquor	22,683	35,513	22,683	35,513
	<b>226,073</b>	110,312	<b>226,073</b>	110,312

## 10. Controlled Entities

	<i>Country of incorporation</i>	Controlling Interest	
		2008	2007
St Kilda Football Club Ltd	Australia	100%	100%

## 11. Property, Plant and Equipment

### Leasehold Improvements

At cost	3,817,512	3,781,948	1,776,375	1,776,375
Accumulated amortisation	(3,379,370)	(3,243,203)	(1,728,823)	(1,707,651)
	<b>438,142</b>	538,745	<b>47,552</b>	68,724

### Plant and Equipment

At cost	2,532,770	2,232,579	2,532,770	2,232,579
Accumulated depreciation	(1,914,667)	(1,741,013)	(1,914,667)	(1,741,013)
	<b>618,103</b>	491,566	<b>618,103</b>	491,566

### Capital Works in Progress

At cost	270,542	-	270,542	-
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### Total property, Plant and Equipment

At cost	6,620,824	6,014,527	4,579,687	4,008,954
Accumulated depreciation / amortisation	(5,294,037)	(4,984,216)	(3,643,490)	(3,448,664)
	<b>1,326,787</b>	1,030,311	<b>936,197</b>	560,290

### 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	491,566	538,745	-	1,030,311
Additions	335,107	43,818	270,542	649,467
Disposals	(20,069)	(4,855)	-	(24,924)
Asset Write-down	-	(65,792)	-	(65,792)
Depreciation Expense	(188,501)	(73,774)	-	(262,275)
Carrying amount at the end of year	618,103	438,142	270,542	1,326,787
<b>Parent Entity:</b>				
Balance at the beginning of year	491,566	68,724	-	560,290
Additions	335,106	-	270,542	605,648
Disposals	(20,069)	-	-	(20,069)
Depreciation Expense	(188,500)	(21,172)	-	(209,672)
Carrying amount at the end of year	618,103	47,552	270,542	936,197



## Notes to the financial statements (continued)

For the year ended 31 October 2008

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>12. Other Assets</b>				
<b>Current</b>				
Prepayments	<b>304,839</b>	226,844	<b>304,839</b>	220,594
<b>13. Trade and Other Payables</b>				
<b>Current</b>				
Unsecured Liabilities				
Trade payables	<b>760,172</b>	794,548	<b>760,172</b>	794,548
Sundry payables & accrued expenses	<b>1,469,283</b>	1,389,691	<b>1,461,604</b>	1,371,050
	<b>2,229,455</b>	2,184,239	<b>2,221,776</b>	2,165,598
<b>14. Other Current Liabilities</b>				
Income in advance	<b>1,233,242</b>	3,191	<b>1,233,242</b>	3,191
<b>15. Financial Liabilities</b>				
<b>Current</b>				
Secured Liabilities				
Commercial Bill	<b>500,000</b>	1,600,000	<b>500,000</b>	1,600,000
Bank Overdraft	<b>968,588</b>	-	<b>968,588</b>	-
	<b>1,468,588</b>	1,600,000	<b>1,468,588</b>	1,600,000
<b>Financing arrangements</b>				
The consolidated entity has access to the following lines of credit:				
Commercial Bill facilities				
Total facilities available	<b>5,000,000</b>	5,000,000	<b>5,000,000</b>	5,000,000
Facilities utilised at balance date	<b>(1,468,588)</b>	(1,600,000)	<b>(1,468,588)</b>	(1,600,000)
Facilities not utilised at balance date	<b>3,531,412</b>	3,400,000	<b>3,531,412</b>	3,400,000

The facility is summarised as follows:

The interest rate at year end on the Commercial Bill was 6.13%

The current interest rate on the Bank Overdraft is 11.06%

A second Commercial Bill for \$1,000,000 was drawn down on 11th November 2008 for a 30 day period at an interest rate of 5.39%

Security

Guarantee Limited to \$5,000,000 given by the Australian Football League ACN 004 155 211 to expire 31<sup>st</sup> October 2009





## Notes to the financial statements (continued)

For the year ended 31 October 2008

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>16. Provisions</b>				
<b>Current</b>				
Employee entitlements	244,870	178,837	244,870	178,837
<b>Non Current</b>				
Employee entitlements	28,447	16,705	28,447	16,705
<b>a) Aggregate Employee Entitlements</b>	<b>273,317</b>	<b>195,542</b>	<b>273,317</b>	<b>195,542</b>
<b>b) Number of Employees</b>				
Number of full time employees at year end	36	38	36	38
<b>17. Issued Capital</b>				
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 30,554 members (2007: 30,850).

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

## 18. 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	164,598	132,357	97,498	49,857
later than one year and not later than five years	420,583	335,759	152,183	5,759
later than five years	1,761,375	2,241,250	-	-
	<b>2,346,556</b>	<b>2,709,366</b>	<b>249,681</b>	<b>55,616</b>

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. The leased premises house the Club's administration and training facilities. Operating leases also include a number of Fuji Xerox photocopiers and various computer equipment.



## Notes to the financial statements (continued)

For the year ended 31 October 2008

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>(b) Player payment commitments</b>				
not later than one year	6,466,700	6,749,000	6,466,700	6,749,000
later than one year and not later than five years	5,467,700	5,980,000	5,467,700	5,980,000
later than five years	-	-	-	-
	<b>11,934,400</b>	12,729,000	<b>11,934,400</b>	12,729,000

### 19. Contingent Asset/Liabilities

Following the sale of Waverley Park to Mirvac, the AFL advised the company that it will distribute \$2,000,000 from the sale proceeds, over 7 years, on each 31 October in the years 2002 to 2008.

The company has been advised that these payments are conditional upon and subject to certain conditions. Due to the uncertainty of receipt of the sale proceeds in future years, the company will account for the distribution on a cash received basis.

In October 2008 the company received \$250,000, bringing the total instalments received to \$2,000,000. This amount is treated as revenue in 2008. There are no more funds receivable from the AFL in relation to the sale of Waverly Park.

### 20. Segment information

The company operates in the sporting and leisure industry in Australia and its predominant activity is to field teams to compete as a member of the Australian Football League competition(s).

### 21. Cash Flow information

#### a) Reconciliation of cash flow from operations with profit after income tax

Profit/(loss) after income tax	(445,566)	(414,027)	(330,585)	(277,539)
- Net (profit)/loss on disposal or write-off of property & equipment	12,399	9,157	13,122	9,157
Non cash flows in profit from ordinary activities				
- Depreciation and Amortisation of non-current assets	328,067	245,273	209,672	193,320
<b>Changes in assets and liabilities</b>				
- (Increase) / decrease in trade and other debtors	32,315	358,682	19,273	375,535
- (Increase) / decrease in inventory	(115,761)	(17,883)	(115,761)	(17,883)
- (Increase) / decrease in prepayments	(77,995)	132,010	(84,247)	138,260
- Increase / (decrease) in provisions	77,775	(11,549)	77,775	(11,549)
- Increase / (decrease) in tax payable	(7,642)	-	-	-
- Increase / (decrease) in income in advance	1,230,051	(2,327,956)	1,230,051	(2,327,956)
- Increase / (decrease) in trade and other payables	52,857	325,586	56,178	346,535
Cash flow from operations	<b>1,086,500</b>	(1,700,707)	<b>1,075,478</b>	(1,572,120)



## Notes to the financial statements (continued)

For the year ended 31 October 2008

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
	Income/(Expense)		Income/(Expense)	
<b>(b) Reconciliation of cash</b>				
Cash balance comprises:				
– cash at bank	1,365,044	1,050,458	1,365,044	1,050,458
– cash on hand	113,275	109,715	113,270	109,710
	<b>1,478,319</b>	1,160,173	<b>1,478,314</b>	1,160,168
– bank overdraft	(968,588)	-	(968,588)	-
Closing cash balance	<b>509,731</b>	1,160,173	<b>509,726</b>	1,160,168

## 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 consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

## 23. Related Party Disclosures

### Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

### a) Director-related entities

Gregory's Transport (Greg Westaway)	Sponsorship/Hospitality	12,934	-	12,934	-
	Courier Services	(5,756)	-	(5,756)	-
Fetter Gdanski (John Gdanski)	Sponsorship/Hospitality	1,024	4,351	1,024	4,351
	Legal Fees (including barristers' fees and third party disbursements)	(59,542)	(77,373)	(59,542)	(77,373)
Gluck Forwarding Systems (Mark Kellett)	Sponsorship/Hospitality	-	2,727	-	2,727
PriceWaterhouse Coopers Legal (Ross Levin)	Sponsorship/Hospitality	-	16,000	-	16,000
	Legal Fees	-	(17,763)	-	(17,763)
Rigby Cooke (Ross Levin)	Sponsorship/Hospitality	19,732	2,305	19,732	2,305
	Legal Fees	(45,820)	(3,970)	(45,820)	(3,970)
Easi Pty Ltd	Sponsorship/Hospitality	23,143	-	23,143	-
Controlled by Adam Westaway son of Greg Westaway (director)					



## Notes to the financial statements (continued)

For the year ended 31 October 2008

		Consolidated Group		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
		Income/(Expense)		Income/(Expense)	
<b>b) Directors</b>					
Mr. Greg Westaway	Travel	(6,519)	-	(6,519)	-
Mr. Ross Levin	Hospitality	-	318	-	318
	Travel	(2,287)	-	(2,287)	-
Mr. John Gdanski	Hospitality	278	-	278	-
	Travel	(1,901)	(2,009)	(1,901)	(2,009)
Mr. Michael Nettleford	Hospitality	11,636	-	11,636	-
	Travel	(751)	-	(751)	-
Mr. Simon Grant	Hospitality	1,320	-	1,320	-
Mr. Rod Butterss	Travel	-	(4,110)	-	(4,110)
Mr. Ray King	Sponsorship/Hospitality	-	17,600	-	17,600
	Merchandise	-	(55)	-	(55)
Mr. Glen Casey	Sponsorship/Hospitality	-	5,455	-	5,455
	Hospitality/Travel	-	(1,547)	-	(1,547)
<b>c) Wholly owned companies</b>					
St Kilda Football Club Ltd	Rent	-	-	(150,000)	(150,000)
St Kilda Football Club Ltd	Management fees	-	-	119,368	140,010

## 24. Financial Risk Management

### a) Financial Risk Management Policies

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

The group does not have any derivative instruments at 31 October 2008.

### Financial Risks Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

#### Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 31 October 2008 approximately 34% of the group debt is fixed. The group fixed debt was increased to 100% on the 11 November 2008 with the drawdown of an addition \$1,000,000 commercial bill. For further details on interest rate risk refer to Note 24(b).

#### Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.



## Notes to the financial statements (continued)

For the year ended 31 October 2008

### 24. Financial Risk Management (continued)

#### Credit risk

The exposure to credit risk is monitored on an ongoing basis.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

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

#### b) Interest Rate Risk

The consolidated group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Average interest rate (%)	Floating interest rate	Fixed interest maturing in:			Non- interest bearing	Total
			1 year or less	over 1 year to 5 years	more than 5 years		
<b>2008 (\$)</b>							
<b>Financial assets</b>							
Cash	4.91%	1,478,319	-	-	-	-	1,478,319
Trade receivables	N/A	-	-	-	-	359,857	359,857
Other receivables	N/A	-	-	-	-	254,878	254,878
		<b>1,478,319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>614,735</b>	<b>2,093,054</b>
<b>Financial liabilities</b>							
Interest bearing liabilities	9.38%	968,588	500,000	-	-	-	1,468,588
Accounts payable	N/A	-	-	-	-	767,852	767,852
Other Liabilities	N/A	-	-	-	-	1,469,728	1,469,728
		<b>968,588</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>2,237,580</b>	<b>3,706,168</b>





## Notes to the financial statements (continued)

For the year ended 31 October 2008

### 24. Financial Risk Management (continued)

	Average interest rate (%)	Floating interest rate	1 year or less	over 1 year to 5 years	more than 5 years	Non- interest bearing	Total
<b>2007 (\$)</b>							
<b>Financial assets</b>							
Cash	3.92%	1,160,173	-	-	-	-	1,160,173
Trade receivables	N/A	-	-	-	-	519,797	519,797
Other receivables	N/A	-	-	-	-	271,863	271,863
		<b>1,160,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>791,660</b>	<b>1,951,833</b>
<b>Financial liabilities</b>							
Interest bearing liabilities	6.72%	- 1,600,000	-	-	-	-	1,600,000
Accounts payable	N/A	-	-	-	-	805,548	805,548
Other Liabilities	N/A	-	-	-	-	1,517,328	1,517,328
		<b>- 1,600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,322,876</b>	<b>3,922,876</b>

### c) Interest rate sensitivity analysis

The consolidated group is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2007 and 2008, the group's borrowings at variable rate were all denominated in Australian dollars.

The group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 October 2008, the group is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates, see note 23 b) for further information. As in the previous year, all other financial assets and liabilities have fixed rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +3% and -3% (2007: +/-3%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the group's financial instruments held at each balance sheet date. All other variables are held constant.

	2008		2007	
	\$ +3%	\$ -3%	\$ +3%	\$ -3%
<b>Cash</b>				
- Net result	44,350	(44,350)	34,805	(34,805)
- Equity	44,350	(44,350)	34,805	(34,805)
<b>Interest bearing liabilities</b>				
- Net result	(29,058)	29,058	-	-
- Equity	(29,058)	29,058	-	-



## Notes to the financial statements (continued)

For the year ended 31 October 2008

### 24. Financial Risk Management (continued)

#### d) Net Fair Value of Financial Assets and Liabilities

The consolidated group's financial assets and liabilities reported as assets and liabilities in the balance sheet are carried at amounts that approximate net fair value.

### 25. New Accounting Standards and AASB Interpretations

Certain new accounting standards and AASB Interpretations have been published that are not mandatory for 31 October 2008 but contain an option for early adoption.

The consolidated group has reviewed each of these new standards and interpretations and is satisfied that they have no impact on the reported financial performance and position of the consolidated group and therefore there has been no early adoption of these standards for the year ended 31 October 2008

### 26. 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 Office of Gambling Regulation.

### 27. Company Details

The registered office and principal place of business of the company is:

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



## Directors' declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 11 to 33, 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 2007 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

**Ross Levin**  
Vice President

Melbourne

Dated on this 3rd day of February 2009.



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**Independent Auditor's Report  
To the Members of St Kilda Saints Football Club Limited  
ABN 86 005 174 836**

We have audited the accompanying financial report of St Kilda Saints Football Club Limited, (the company) which comprises the balance sheet as at 31 October 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

**Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's



judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

#### **Electronic presentation of Audited Financial Report**

This auditor's report relates to the financial report of St Kilda Saints Football Club Limited for the year ended 30 June 2009 included on St Kilda Football Club's web site. The company's directors are responsible for the integrity of the St Kilda Football Club web site. We have not been engaged to report on the integrity of the St Kilda Football Club web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site

#### **Independence**

In conducting our audit, we complied with applicable 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 company's and consolidated entity's financial position as at 31 October 2008 and of their performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

GRANT THORNTON  
Chartered Accountants  
Melbourne, 3 February 2009

Ken Glynn  
Partner