



ST KILDA SAINTS FOOTBALL CLUB LTD

CONSOLIDATED ENTITY ABN 86 005 174 836



ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING 31 OCTOBER 2016



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PRESIDENT'S REPORT

Finishing the season in ninth position is interesting in lots of ways. So often it is seen as one of the most frustrating places to finish on the ladder. Finishing ninth means you didn't play finals. That is clearly a benchmark when you are in a competition. It means there is a need to be better.

But what ninth doesn't tell you about is momentum. Whilst acknowledging we haven't yet made it back to the finals, that is where 2016 has been such a success.

In all parts of our business the momentum is positive. The CEO Report will go into more detail on many areas and initiatives but when I look across all aspects of the business I see positive momentum.

And it is not only the numbers that are trending upwards. Whether it be the style of our exciting brand of football, sponsorship surveys or our member satisfaction surveys, they all indicate that quality and engagement is up too.

This positive momentum doesn't guarantee success and there is much work still to do. Progress isn't always linear and every season starts afresh and with new challenges. But it does give us confidence that we are not only on the right path but that we will achieve our goals. The future is absolutely exciting and it's great to be part of.

The continued development on field has been talked about positively throughout the media and industry generally. It started as a deliberate rebuild some years ago. Apart from being deliberate it was brave and with the sole intention of becoming sustainably successful.

It must be emphasised that we had one major advantage on this journey. That was the complete buy in by the senior players. Their loyalty, professionalism and commitment has enabled everyone else to take us forward. The list management committee and recruiting staff have been able to then do their work professionally and strategically. My congratulations to them on the work they have done.

The coaching staff, football department and all the players, new and established, are bringing this all together. There is a clear belief in the group that exciting times await and we all feel confident that Alan Richardson is the right man to be leading this.

Change is one certainty in football and this year we saw a number of players leave our club. To all, we wish you the best for the future and look forward to seeing you again around the club and at past players and officials events.

I would like to especially acknowledge the retirement of two St Kilda Football Club life members, Sam Fisher and Nick Dal Santo.

Paul Hudson, who has been with the club for 6 years is also leaving us for new adventures. Paul led Sandringham to the finals again in 2016 and we congratulate him and all involved at the Zebras for their achievements in 2016. Our thanks and best wishes go to Paul.

There has also been the announcement of one other significant change at the Saints with Nick Riewoldt stepping down as captain. Nick came into the game as a number one draft pick. He was clearly even then a unique talent. Unique is a word often used to describe Nick and his captaincy has definitely been unique. His statistics alone tell you that - the most games as a Saints captain and the third most of any captain in the history of the AFL behind Stephen Kernahan (226) and

Dick Reynolds (224). And his selflessness in stepping down at this time shows how great a clubman he is.

When the new captain is announced I am sure he will benefit from having not only played under Nick but having Nick close by. However, our new captain will no doubt have his own style. A new era begins but one built on a fantastic legacy.

It's been an exciting 2016 with many highlights culminating in a celebration of the year at our Trevor Barker Award night. To Jack Steven, who won a third Trevor Barker Award and all other winners and recipients on the night I offer my congratulations.

The year has been full of highlights. The 1966 premiership reunion and celebration, the St Kilda Hall of Fame, exciting progress regarding our return to Moorabbin, and the new arrangement with Sandringham Football Club are to name only a few.

The one I want to highlight, though, is the Pride Game. Our thanks to the AFL and Sydney Swans for supporting this incredible event. The game was not unanimously to the agreement of all. But doing the right thing isn't about only doing it when it is popular or easy. That isn't our way and we are extremely proud to have led on this very important issue. To everyone involved, and especially to our CEO Matt Finnis, congratulations.

From a competition point of view it was a great 2016 and I am sure the AFL are pleased with what has been achieved.

We congratulate Western Bulldogs under the leadership of President Peter Gordon. Of course, we must acknowledge the achievements of one of our past players, Luke Beveridge.

To Brownlow Medallist, Patrick Dangerfield and Coleman Medallist, Josh Kennedy we also offer our congratulations.

Ultimate team success has proved a little elusive in our history. But we have had many champions and this year we added to those recognised at AFL level with the induction of Verdun Howell into the Australian Football Hall of Fame. We offer our congratulations to Verdun and his family.

In our view, the impacts from the biggest achievements of the AFL this year will be seen in coming years. The AFL Women's league is a fantastic development and one we look forward to joining in the not too distant future.

The work done around the competitive balance framework will help continue to make the AFL the premier sporting competition in Australia. The purchase of Etihad Stadium is a critical development, especially for the main tenant clubs, of which, of course, we are one.

We thank the AFL for their ongoing support of our endeavours to build the Saints into the sustainably great club we know it can be.

Football is a fantastic game and great fun to be part of. But nothing is achieved without the dedication, support and commitment of so many people.

So in finishing, I would like to offer my thanks to so many people and groups who are committed to helping build something special at the Saints.



PRESIDENT'S REPORT (CONTINUED)

A big thanks to our members, supporter groups - located throughout the country - and cheer squad. Your loyalty and passion is important to us all. To our coteries, including the Angels, Halos, Sinners, True Believers, Match Committee and Saints in the City, your support has been fantastic.

To our sponsors, it has been a pleasure working with you. Our commitment to you has been to help you achieve your goals as you have helped us.

I would like to congratulate Alan Richardson, the players and everyone in the football department, on their achievements in 2016. I know your aspirations are for much greater achievements and we look forward supporting you in achieving those aspirations.

At the top of all this is our CEO, Matt Finnis. Matt, with the support of your team and everyone involved with the Saints, you have provided the leadership to continue to make us a more open and welcoming club. Operationally, 2016 will be remembered as a year when so many elements that are critical to our future success were started, considerably advanced or achieved.

In relation to the Board, I am proud to be leading a group of such dedicated and professional people. I am confident the Board has offered not only appropriate governance, but the level of stability and support to Matt, Alan and the business generally that is consistent with the level that is present in high achieving organisations. But as a group I also love the passion you show for the game and to the Saints. That combination of passion and professionalism is critical.

It's dangerous to get too far ahead of yourself in sport, and especially one as competitive as the AFL. But it is even more dangerous not to dream and not to go after those dreams. We are dreaming and we are continuing to do everything we can to achieve those dreams.

As such I am very much looking forward to 2017 and I look forward to seeing you at the football in the season ahead.

Peter Summers

President



CHIEF EXECUTIVE OFFICER'S REPORT

At St Kilda our players, coaches and staff talk often about not just what we are doing and how we can improve, but also our underlying motives that drive us to achieve our goals. Ultimately, the desire to make our people feel proud and part of their club and the journey we are on is central to this motivation.

In 2016, we didn't achieve all of our hopes and aspirations, however we did take significant steps towards them and did so in a manner in which Saints' people were both involved and proud of this progress.

This report offers a reflection on this progress through the lens of the five pillars that combine to form our club's strategic framework for success.

1. Positioning For Premierships

Despite just missing finals, our on-field performance in the 2016 season should be viewed positively, not merely because of the improved win/loss result, from 6 ½ wins to 12 and the consequential improved ladder position of 14th up to 9th but also due to improvements shown across most of our identified performance measures.

At a high level the season had a +7 points per game offensive focus and -12 points per game defensive focus. At the mid-season bye, offense had improved substantially by eight points, yet defence had remained steady. This led to a heightened defensive focus for the back end of the season, which saw points against reduce by five points per game, whilst offence continued to increase by a further four points per game (+12 across the season). We also managed to secure victories in seven of our last 10 matches for the season.

Saints supporters would have been pleased with the focus changing from being more competitive in more matches (2015) to a greater emphasis on playing to our team's own game plan against all opponents. Ultimately the difference in percentage, which resulted in the 9th ladder position versus 8th, can be attributed to the gap between our best and worst performances being too great – narrowing this gap obviously becomes a clear focus for 2017.

Availability of the playing group remained at the very top end of the competition for the entire season – with just 104 matches lost through injury, being an improvement on 2015 (132) and well below the AFL competition's 10 year average (152). Significant credit should be afforded to our experienced and dedicated high performance and medical team for this result.

The development of our young playing group was a highlight throughout 2016. Seb Ross, Jack Newnes, Tim Membrey, Tom Hickey and Mav Weller all enjoyed break-out seasons demonstrating the talent potential emerging on our list. Rising star nominations for Blake Acres and Jade Gresham were appropriate reward for their efforts.

Congratulations to Jack Steven on securing his third Trevor Barker Award following an outstanding season and also to runner up Jarryn Geary whose selfless and consistent defensive performances are held in enormous regard within the walls of the Linen House Centre. That Nick Riewoldt finished in the top three of our B&F results for the 9th time in a year in which he transformed his game further up the ground was testament to his talent, professionalism and team-first mindset.

The club continues to progress a very deliberate list management strategy that combines drafting elite talent with securing players of specific age demographics from rival clubs. We were pleased to add Nathan Brown, Koby Stevens and Jack Steele to our program during the 2016 player movement period whilst also improving our draft position through strategic trading.

On the other side of the list management ledger we farewelled the following players whom the club wishes all the best with their future football endeavours: Luke Delaney, Tom Curren, Cam Shenton, Brodie Murdoch, Josh Saunders, Tom Lee, Eli Templeton, and Brenton Payne. In addition, former best and fairest and club life member Sam Fisher retired from AFL football following 228 games for the Saints over 13 seasons.

Our VFL partner Sandringham FC made it through to the semi-finals and we were pleased to enter a new partnership agreement with the Zebras that provides an uncompromised development pathway for our young players and an ongoing association with a proud football institution of the bayside community. Under the new partnership we aim to bring the football operations of both clubs closer together, with a particular focus on refining the match committee process and player recruitment in 2017. We congratulate departing Sandringham and Saints Development Coach Paul Hudson on his achievements with both clubs and thank him for six years service developing St Kilda's next generation of stars.

Finally, 2016 was the year in which the Saints took our first steps towards securing a future premierships side in the prospective AFL Women's competition. Following a detailed and progressive bid we were awarded a provisional licence to field a team in the new competition – albeit not from the inaugural season.

We have subsequently developed a pathway to full participation in the new league which involves partnerships with local clubs and leagues and the establishment of an elite Saints Academy Squad in 2017 from which teams will be selected to represent the club in exhibition games as we build our playing, coaching and high performance programs.

We firmly believe that evolution of the women's game is a generational opportunity for the AFL and are committed to supporting the growth of female participation and talent development throughout the bayside region to form an enviable base for our future elite team.

2. Grow The Business

Expanding the club's revenue base through football related and independent revenue streams has been a key focus of the current administration as we seek to build a resilient business model capable of delivering the investment into our football program required to achieve on-field success.

Financially, the 2016 results can be seen as steady progress as we continue to grow our business on and off field. For the financial year, St Kilda Football Club has delivered an operating profit before grant funding revenue, depreciation, amortisation and interest of \$150,589 (2015: \$524,649) and an overall accounting net profit of \$1,107,311 (2015: \$847,693 net loss).



CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

Included within the net profit is Moorabbin Reserve grant funding revenue of \$5,413,959, depreciation expenses of \$4,076,688 which incorporates an additional depreciation charge due to the clubs expected relocation to Moorabbin of \$2,910,722, amortisation of gaming licences of \$125,798 and interest expense of \$254,751.

In 2016 our operating revenue generated was the highest recorded by the club at \$34.5m with a \$2.1m increase on FY15, largely due to an increase in AFL distributions, sponsorship, membership, and match returns.

Key highlights from a revenue perspective include:

- **Sponsorship:** We continued to drive and expand our sponsorship portfolio with a new major sponsor in Pepper Money joining in 2016 for at least three years. We were also thrilled to extend our partnership with Lion Dairy & Drinks as co-major sponsor for a further three years and welcomed new sponsor AV Jennings to the club. The 2016 Nielsen Sports Partners Survey delivered strong results when the sponsorship account management team received a score of 9.7 compared to the AFL average of 8.9.
- **Corporate Hospitality and Events:** In 2016 we delivered quality events such as the 2016 Hall of Fame and Saints Business in Sport Lunch, which contributed to the overall increase in Sponsorship and Events revenue of \$0.65m. Our two major coterie groups - the True Believers and The Halos- along with our committed player sponsors once again provided wonderful support and contribution to the club.
- **Membership:** More than 7,800 new members joined the club during the year, the largest growth of all AFL clubs which resulted in a final membership base of 38,101. The new members coupled with having strong retention (ranked second across the AFL) provided an increase in membership revenue of \$0.29m.
- **Attendance and Match Returns:** We enjoyed significant growth in home game attendance throughout 2016, finishing the season with an average home crowd of just under 32,000 up approximately 18% on 2015. As a result, revenue from match returns was up \$0.44m - our home game against Collingwood at the MCG being a significant driver of this uplift.
- **Merchandise:** Season end results for our merchandise program also showed significant growth in 2016 with a 59% increase in game-day sales and over 20% growth online. Total game-day and online sales rank the club in number one position for growth year on year across all AFL clubs. The Nick Riewoldt 300 game and Pride Game merchandise range being two highlights of the year along with the popularity of member-only merchandise items retailed in conjunction with our membership program.
- **New Zealand:** Reduced income of \$0.71m as a result of no secondary market game being played in New Zealand compared to 2015.

Against the above revenue outcomes, the following material changes in expenditure are worth noting:

- An increased investment in our football department spending of \$1.12m (\$0.67m increase in player related spending and a \$0.45m increase in non-player spending);

- Administration cost increase of \$3.5m includes a non-cash adjustment of \$2.9m relating to the Seaford Leasehold and further investments in our capabilities across marketing, human resources and the club's Foundation.

3. Ignite Belonging

In March 2016 the club launched our fresh, new community engagement strategy "Junction Studio" to provide a clear, distinct and lasting platform for the Saints to collaborate with the community. Junction Studio allows us to better coordinate our efforts, invest in community assets and outcomes and share them to have a significant positive impact.

Junction Studio will have a bricks and mortar space at our new development in Moorabbin, a strong digital footprint but will also pop up in locations across bayside and beyond as we involve ourselves in an array of community functions and initiatives that support our program objectives.

We'd like to thank our charitable partners - Soldier On, Sacred Heart Mission, Trevor Barker Foundation (Challenge), Blue Ribbon, Maddie Riewoldt's Vision and Song Room for the opportunity to support their valuable work in 2016.

Later in 2016 we took the formative steps required to establish our Saints' Next Generation Academy - an initiative being undertaken with support of the AFL to grow participation and football development opportunities for children and youth emanating from indigenous and multi-cultural backgrounds.

Working in partnership with local football leagues, TAC Cup teams and AFL Victoria our Next Generation Academy is focused on the bayside region and from 2017 will form an important base for the club to broaden our engagement with new supporter bases and also potentially discover some future stars to represent our mens and womens teams in the AFL competition.

Our players continue to take an active role in the community, particularly via their involvement with local schools, football clubs and charity organisations. In 2016, our players visited 66 local schools, engaging with over 3000 primary students, 2700 Auskickers and a similar number of junior football players across the South Metro and Frankston District Junior Football Leagues.

In 2016 we were proud to partner with Sydney Swans to host the first ever Pride Game in world professional team sport celebrating diversity and sending a powerful message that at St Kilda, everyone belongs and is welcome at the footy. In heart-warming scenes, hundreds of people from within the LGBTIQ community and beyond attended their very first AFL game and were welcomed by thousands of Saints supporters donning rainbow themed beanies and scarves.

We are grateful for the support of VicHealth and the Victorian Government of this initiative as well as inspiring ambassadors such as Jason Ball, Brett Stirling, Russell and Angie Green and Nicky and Tynan Winmar who all shared their personal stories as part of the campaign. The establishment of a Saints Pride supporter group to coincide with this historic match was another positive step towards our club igniting a sense of belonging within our community.



CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

Underlying all of our community programs and member engagement has been a commitment from the club to open our organisation and proactively share our story with our supporters. Our creative and dedicated communications team have created unique access to media inside our club to share the stories, views and insights of our players and coaches with Saints fans across print, radio and television broadcast mediums.

Our digital engagement has continued to grow at an impressive rate underpinned by fun and innovative social media activity. For the second year in a row the Saints' digital team was recognised as leaders amongst all AFL clubs in this space, securing the Australian Football Media Award for best digital campaign for our "Team Angelica" women's league bid.

That our members are reporting in our surveys a strong sense of involvement and engagement with their club is a critical KPI for our people and our commitment to transparent and engaging communications will continue to drive this sense of belonging.

4. Create Saints Places

One of the most significant undertakings the club will pursue became a reality during the current financial year with confirmation of stakeholder commitments to support the redevelopment of Moorabbin Reserve into a state-of-the-art football training, administration and development precinct.

With the tremendous support and involvement of the State Government, Kingston City Council, AFL and our community football partners the dream of reinvigorating Moorabbin is closer to becoming a reality as a number of milestones were achieved during the past 12 months – not the least being the Kingston Council approval of redevelopment plans and extension of the club's 75 year lease for a further 25 years.

The Moorabbin redevelopment provides a unique opportunity for the club to secure its future not only through establishment of integrated training, administration, social and commercial facilities but crucially through deepening our ties with local community football organisations SFNL, SMJFL and Sandringham Dragons TAC team in Melbourne's south.

This ambitious project will not be realised without the support of generous Saints donors who have supported the establishment of the St Kilda FC Foundation and created momentum behind the club's Reimagine Moorabbin capital raising program to be launched in early 2017. We look forward to appropriately recognising our major contributors and extending the opportunity for all Saints people to get involved in being part of the rebuilding and reinvigoration of our spiritual home in Linton Street.

Notwithstanding the importance of securing our "home" for the long term, we understand that for many Saints' fans it is where we play our home games which is their primary focus of engagement with the club in a physical sense. For that reason, and for the economic sustainability of our club we were thrilled that the AFL secured ownership and management rights of Etihad Stadium nearly 10 years ahead of schedule at the end of October.

The reality is that our players enjoy playing at Etihad Stadium and our fans enjoy the facilities that provide terrific viewing from virtually every seat. However, the economics of our stadium arrangement have undermined the financial health of our club for too long.

Whilst we are pleased that member surveying indicates that our efforts to provide a greater "home" atmosphere at Etihad Stadium are being appreciated, we look forward to being able to work more closely with the AFL to take this to a new level from 2017 onwards. This will also provide us with the opportunity to critically re-engineer the match returns to put our club on an equal footing with our opponents who enjoy preferential arrangements at alternative stadiums in Victoria and across the country.

Finally, the club has continued to explore and progress opportunities to grow support for AFL and St Kilda in New Zealand, notwithstanding no home and away match being fixtured "across the ditch" in 2016 or 2017. There is a keen interest from local authorities to host AFL matches in Auckland and plans underway to upgrade existing stadium infrastructure to AFL standards in the near future. The AFL has identified New Zealand as one of three priority international markets for growth of the game and is currently working closely with the club on this secondary market strategy.

5. Be You Become More

The strength of St Kilda Football Club always has and will lie in the calibre of our people and their willingness to combine in pursuit of our shared goals. Our competitive advantage will not be derived from the latest technological advance but in the agility of our people to forecast and adapt to change, uncertainty and risk.

As such, we are firmly focused on creating an organisation which attracts, retains and develops quality players, coaches and staff for the benefit of their own careers, our club and our community.

In 2016 we introduced our inaugural diversity and inclusion strategy, predicated on the principle that to boast a highly inclusive and more diverse workforce – featuring people of different perspectives and experiences, is critical to St Kilda thriving in the future.

If the AFL is to remain "Australia's Game" it must evolve to represent the changing face of our nation. The same is true of St Kilda.

We were proud to be the first professional sporting club to introduce the "My Mentor" program for all of our female staff following receipt of a grant from the Australian Sports Commission and continue to contribute to the Elite Sport Male Champions of Change initiative.

We also launched a bespoke leadership program to facilitate the development of our emerging leaders – starting with the playing group – to ensure our next in line leaders are well placed to tackle the myriad of challenges involved in not just leading teams but also leading our club in the contemporary AFL landscape.

Improvements in our player and staff professional development initiatives, employee engagement measures and wellbeing programs aren't the focus of headlines but are critical achievements in securing strong foundations for our future growth and prosperity.



CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

Conclusion

In concluding, I wish to thank President Peter Summers, the board of directors and their respective partners for their guidance, support and tireless commitment to furthering the best interests of St Kilda Football Club throughout 2016. Our highly talented executive team has continued to raise the bar, embrace and lead change in pursuit of our shared goals and are incredibly well supported by a team of professional staff that anybody would be proud to lead. To Richo and his coaching team, Nick and the broader playing group congratulations on your achievements on the field this year, but also for your continued support and professionalism beyond the boundary line.

Peter Summers has paid tribute to our many award winners, volunteers, supporter groups and coteries elsewhere in this report and I endorse his gratitude. To our sponsors, community partners, the AFL and most importantly to our members, all of whom are making an invaluable contribution to our club – we thank you and look forward to an exciting 2017.

Matt Finnis

Chief Executive Officer

2016 HONOURS AND AWARDS

AFL Hall of Fame induction: Verdun Howell

AFL Life Membership: Stephen Milne

St Kilda Hall of Fame induction: Stuart Trott and Glenn Elliott

Legend elevation in St Kilda Hall of Fame: Robert Harvey

Trevor Barker Award: Jack Steven

Runner Up: Jarryn Geary

Third Place: Nick Riewoldt

Best Emerging Player: Tim Membrey

Robert Harvey Best Clubman Award: Sam Gilbert

Lenny Hayes Player Trademark Award: Jarryn Geary

Leading Goal Kicker: Tim Membrey (44 goals)

John Moran Loyalty Award: Bev Browne (founder of Queensland Saints)

Life Membership: David Armitage and Dr Ian Stone

Milestones: Nick Riewoldt 300 games and 200 games as captain, Leigh Montagna 250 games, Sean Dempster 150 club games, David Armitage 150 games, Dylan Robertson 100 games, Shane Savage 100 games

Debutants: Jade Gresham (Round 1), Lewis Pierce (Round 12), Brandon White (Round 23)



DIRECTORS' REPORT

Your directors submit their report together with the financial statements of the consolidated entity, being St Kilda Saints Football Club Ltd and its Controlled Entities (the "Group") for the year ended 31 October 2016.

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:

Peter Summers	President
Qualifications	Bachelor of Economics & Member of Chartered Accountants Australia and 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.
Other responsibilities	Chairman of Meetings, Member of the Audit, Risk and Compliance Committee and Remuneration Committee
Andrew Thompson	Vice President
Qualifications	Diploma of Financial Planning
Experience	Head of Private Wealth and partner at Lucerne Investment partners. Previously worked as a director of Wealth Management and advisor for Canaccord between 2008 and 2015. 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.
Matt Finnis	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>
Paul Kirk	Director
Qualifications	Bachelor of Economics and Member, Australian Institute of Company Directors and Member of Chartered Accountants Australia and 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, Risk and Compliance Committee and Remuneration Committee



DIRECTORS' REPORT (CONTINUED)

Russell Caplan	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 and joined the Shell Oil Company in Melbourne. In a 42 year career with Shell, he worked in many parts of the business in England, Europe, the USA and Australia, retiring in 2010 as Chairman of Shell in Australia. He is Chairman of the Melbourne and Olympic Parks Trust and a Trustee of the Australian Cancer Research Foundation. Russell was born in St Kilda and is a life-long Saints supporter.
Other responsibilities	Chairman of the Remuneration Committee
Danni Roche OAM	Director
Qualifications	Master of Business Administration
Experience	<p>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.</p> <p>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.</p> <p>Danni was a Director of Hockey Australia for seven years and is currently a Trustee of The State Sports Centre Trust of Victoria and a Commissioner of the Australian Sports Commission.</p>
Other responsibilities	Member of the Audit, Risk and Compliance Committee
Liz Dawson	Director
Qualifications	Bachelor of Commerce, Trained Teachers' Certificate and New Zealand Ski Instructors' Alliance
Experience	<p>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.</p> <p>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.</p>
Dean Anderson	Director
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.
Andrew Bassat	Director
Appointed	25 August 2016
Qualifications	Bachelor of Science, Bachelor of Laws (Hons), Master of Business Administration
Experience	Andrew is the CEO of SEEK Limited and an Executive Director and co-founded the company in 1997. He has been involved in all stages of the development of the business since then. In particular, Andrew has driven since inception the strategy of the group and led the creation and development of the international and education businesses. Prior to co-founding SEEK, Andrew was a management consultant with Booz Allen & Hamilton and prior to that, he worked as a solicitor at Corrs Chamber Westgarth.

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	8
Andrew Thompson	9	9
Matt Finnis	9	9
Paul Kirk	9	9
Russell Caplan	9	8
Danni Roche	9	8
Liz Dawson	9	6
Dean Anderson	9	9
Andrew Bassat	2	2

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 six 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 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 Group

The Group'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
- Develop a hallmark community engagement platform to direct meaningful positive contribution in the community
- Further develop our Foundation capable of supporting significant infrastructure and community initiatives

The Group's long term objectives are to:

- Consistently be a top 4 side that is positioned to be a premierships contender
- Have more than 50,000 members
- 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 net profit of the consolidated group for the financial year after providing for income tax, finance costs and asset write-downs is \$1,107,311 (2015: \$847,693 net loss). Included within the net profit is: Moorabbin Reserve grant funding revenue of \$5,413,959; an additional depreciation charge due to the clubs expected relocation to Moorabbin of \$2,910,722 which is included within our total depreciation expense of \$4,076,688.

Excluding the grant funding revenue, depreciation and amortisation expenses the Club produced an operating profit before interest of \$150,589 which is down on the 2015 result of \$524,649. The downturn can be attributed to the additional investment in our core football department and the continued focus of building a strong administration capability.

Profit from Sponsorship, Fundraising, Hospitality and Events, grew by \$622,238 as did support from the AFL, up \$879,833, assisting the club to fund additional spending in the football department, community, marketing, human resources, and foundation areas. Whilst membership profitability was similar to 2015, net member numbers grew by 6,045 (18.9%) to 38,101 (2015: 32,056).

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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

Indemnification and Insurance of Officers

Indemnification

Under the Group'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 Group to pay and satisfy all such costs, losses, expenses and liabilities.

Insurance Premiums

During the financial year the Group paid insurance premiums in respect of directors' and officers' liability insurance contracts on behalf of the Group. Such insurance contracts insure against certain liabilities (subject to specific exclusions) for persons who are or have been directors or officers of the 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 Group.

Proceedings on Behalf of the Company

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

Environmental Regulation

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

Contribution in Winding Up

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 38,101 members (2015: 32,056).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 October 2016 has been received and can be found in page 13 of the directors' report.



DIRECTORS' REPORT (CONTINUED)

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

Peter Summers
President

Paul Kirk
Director

Melbourne
Dated on this 25th November 2016

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

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 Ltd for the year ended 31 October 2016, 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, 25 November 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 October 2016

	Notes	Consolidated	
		2016	2015
		\$	\$
Operating revenues	2	34,514,609	32,455,028
Non-operating revenues	2a	5,413,959	150,000
Total revenue		39,928,568	32,605,028
Administration & facilities management		8,859,136	5,302,152
Community		381,825	217,528
Football		20,724,493	19,598,817
Fundraising		117,042	36,472
Ground & maintenance		175,609	144,477
Match day		116,720	104,613
Membership & reserved seats		3,287,800	2,887,283
Merchandise		664,129	375,533
New Zealand matches		-	297,698
Social club		1,275,250	1,253,232
Sponsorship & events		2,964,502	2,949,601
Total Expenses other than finance costs		38,566,506	33,167,406
Profit/(loss) before related income tax expense and finance costs		1,362,062	(562,378)
Finance costs	3	254,751	285,315
Profit/(loss) before related income tax expense		1,107,311	(847,693)
Income tax expense	4	-	-
Profit/(loss) after related income tax expense		1,107,311	(847,693)
Other comprehensive income from the year, net of tax		-	-
Total comprehensive income/(loss) for the year		1,107,311	(847,693)

The accompanying notes form part of these financial statements.



STATEMENT OF FINANCIAL POSITION

As at 31 October 2016

	Notes	Consolidated	
		2016	2015
		\$	\$
Current assets			
Cash and cash equivalents	7	4,451,224	1,843,943
Trade and other receivables	8	635,212	1,224,230
Inventories	9	38,148	87,087
Other assets	13	288,188	176,941
Total current assets		5,412,772	3,332,201
Non-current assets			
Property, plant and equipment	11	8,021,585	10,411,798
Intangibles	12	726,258	852,056
Total non-current assets		8,747,843	11,263,854
Total assets		14,160,615	14,596,055
Current liabilities			
Trade and other payables	14	5,838,758	6,274,944
Other current liabilities	15	1,591,247	1,374,362
Short-term borrowings	17	133,891	106,100
Employee Benefits	18	713,847	708,337
Total current liabilities		8,277,743	8,463,743
Non-current liabilities			
Trade and other payables	14	-	245,775
Other Long term loans	16	2,857,570	2,857,570
Long-term borrowings	17	3,412,156	4,622,100
Employee Benefits	18	247,721	148,753
Total non-current liabilities		6,517,447	7,874,198
Total liabilities		14,795,190	16,337,941
Net asset deficiency		(634,575)	(1,741,886)
Members' equity			
Contributed equity	19	5	5
Accumulated losses		(634,580)	(1,741,891)
Total members' equity		(634,575)	(1,741,886)

The accompanying notes form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2016

Consolidated Group	Accumulated losses	Contributed equity	Total
	\$	\$	\$
Balance at 1 November 2014	(894,198)	5	(894,193)
Total comprehensive income/(loss) attributable to members of Group	(847,693)	-	(847,693)
Balance at 31 October 2015	(1,741,891)	5	(1,741,886)
Total comprehensive income attributable to members of Group	1,107,311	-	1,107,311
Balance at 31 October 2016	(634,580)	5	634,575

The accompanying notes form part of these financial statements.



STATEMENT OF CASH FLOWS

For the year ended 31 October 2016

	Notes	Consolidated	
		2016	2015
		\$	\$
Cash flows from operating activities			
Receipts from customers, members, sponsors & Australian Football League		37,988,158	34,478,330
Moorabbin redevelopment funds		5,951,000	150,000
Payments to suppliers and employees		(37,979,926)	(31,419,032)
Interest received		9,434	15,480
Finance costs		(254,751)	(285,315)
Net cash flows provided by operating activities	21(a)	5,713,915	2,939,463
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,404,711)	(478,249)
Purchase of intangible assets		(229,525)	(213,272)
Net cash flows used in investing activities		(1,634,236)	(691,551)
Cash flows from financing activities			
Repayment of borrowings		(2,300,000)	(8,050,000)
Proceeds from borrowings		1,000,000	6,050,000
Repayment of finance leases		(172,398)	(110,523)
Net cash flows used in financing activities		(1,472,398)	(2,110,523)
Net increase in cash and cash equivalents held		2,607,281	137,389
Add cash and cash equivalents at the beginning of the financial year		1,843,943	1,706,554
Cash and cash equivalents at the end of the financial year	21(c)	4,451,224	1,843,943

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016

1. Statement of Significant Accounting Policies

The financial report includes the consolidated financial statements and notes of St Kilda Saints Football Club Ltd 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 25th November 2016.

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 Ltd 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 profit of \$1,107,311 for the year ended 31 October 2016 (2015 net loss: \$847,693). At year end the Group has a net asset deficiency of \$634,575, (2015 deficiency: \$1,741,886) and a net current asset deficiency of \$2,864,971 (2015: \$5,131,542). This result includes Moorabbin Reserve grant funding revenue and additional depreciation charged due to the clubs expected relocation to Moorabbin. 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 \$3.25m).
 - b. Funding assistance in 2017 together with other agreed support package arrangements.
 - c. Working Capital capacity 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.

The financial report of the Group does not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities, which might be necessary should the group not be able to continue as a going concern.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

1. Statement of significant accounting policies (continued)

c) Principles of Consolidation

Subsidiaries are all entities over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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 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 (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 less, where applicable, any accumulated depreciation and impairment losses.

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 profit or loss during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

1. Statement of significant accounting policies (continued)

g) Depreciation Expense

The depreciable amount of all fixed assets 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	2.5 – 7.2 years	Straight line
Leased plant and equipment	5 years	Straight line
Plant and equipment	3 – 20 years	Straight line

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

h) 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.

i) Financial Instruments

Initial Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value.

Classification and Subsequent Measurement

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial liabilities



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

(ii) Financial Liabilities

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

Amortised cost is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- d. less any reduction for impairment.

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 profit or loss.

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 profit or loss.

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.

k) 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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

1. Statement of significant accounting policies (continued)

(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 high-quality corporate bonds 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.

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

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. 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 revenues are recognised when then the amount of revenue can be measured reliably, collection is probable, and when the criterion for each of the Group's different activities have been met. Details of the activity-specific recognition criteria are described below:

- 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.
- Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.
- Fundraising donations which have been directly received by the Company are recognised on receipt.
- Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.
- Grant revenue is recognised in the profit or loss 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.

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

o) 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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

1. Statement of significant accounting policies (continued)

p) 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.

q) 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 — Provision for Impairment of Receivables

Included within accounts receivable at 31 October 2016 are amounts receivable from four debtors with balances aged greater than the Group's standard trading terms. The provision for impairment of receivables provides for each of these debtors. The Group will nevertheless be pursuing full payment of these debts.

r) Intangibles and Amortisation Expense

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, and are amortised on a straight line basis. It is assessed annually for impairment.

s) 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 2016

	Consolidated	
	2016	2015
	\$	\$
2. Revenue		
<i>Revenue from operating activities</i>		
AFL distributions and other income	17,125,673	16,245,840
Community	30,000	-
Finance & administration	102,313	42,734
Fundraising	282,597	216,818
Match returns	1,623,290	1,178,933
Membership & reserved seats	6,646,174	6,357,296
Merchandise	791,796	402,854
New Zealand matches	-	710,807
Social club	2,069,132	2,098,039
Sponsorship & events	5,838,157	5,186,227
	34,509,132	32,439,548
<i>Revenue from other activities</i>		
Interest - financial institutions	5,477	15,480
Total revenue from operating and other activities	34,514,609	32,455,028
2a. Non-operating revenue		
Moorabbin redevelopment funds - government grants and contributions	5,413,959	150,000
Total revenue	39,928,568	32,605,028



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

	Consolidated	
	2016	2015
	\$	\$
3. Expenses		
<i>Finance costs:</i>		
Financial Institutions	123,481	209,070
Other	131,270	76,245
<i>Total Finance costs</i>	254,751	285,315
<i>Depreciation of:</i>		
Leasehold improvements – Linton Street	32,849	13,333
Leasehold improvements – Linen House Centre	3,492,922	580,711
Property, plant and equipment	550,917	517,534
Total depreciation and amortisation of property plant and equipment	4,076,688	1,111,578
<i>Amortisation of:</i>		
Licenses – gaming entitlements	125,798	125,454
<i>Net expense including movements in:</i>		
Provision for impairment of receivables	(112,595)	(488,791)
<i>Net expense for movements in provision for:</i>		
Employee entitlements	104,478	192,868
<i>Rental expense on Operating leases:</i>		
Minimum lease payments	67,448	73,215
<i>Employee Benefit Expenses</i>		
Salary, wages, termination expense and other benefits	22,211,939	20,555,746
Defined contribution superannuation expense	1,385,718	1,237,438
Total employee benefit expense	23,597,657	21,793,184



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

	Consolidated	
	2016	2015
	\$	\$
4. Income Tax Expense		
(a) The components of tax expense comprise		
Current Tax	-	-
Under/(over) provision in respect of prior years	-	-
	-	-
(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Prima facie tax expense on profit before income at 30%	(332,193)	254,308
Add:		
Tax effect of:		
- Unrecognised tax losses and temporary differences	(10,397)	4,426
- losses exempt from income tax	342,590	(258,734)
Income tax attributable to the entity	-	-
5. Transactions with Key Management Personnel		
Key management personnel compensation included in employee benefits expenses are:	3,185,702	2,876,735
Number of key management personnel	11	12
6. Auditor's Remuneration		
Amounts received, or due and receivable by the auditor for:		
- auditing or reviewing the accounts and consolidated accounts of the St Kilda Saints Football Club Ltd and the accounts of each of its controlled entities	44,250	43,750
- other services	18,000	18,000
	62,250	61,750
7. Cash and Cash Equivalents		
Cash at bank	4,351,047	1,740,935
Cash on hand	100,177	103,008
	4,451,224	1,843,943

Included in the cash at bank balance are unspent funds held for the Moorabbin Reserve redevelopment totalling \$4,134,624 (2015: \$150,000).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

	Consolidated	
	2016	2015
	\$	\$
8. Trade and Other Receivables		
Current		
Trade receivables	425,329	1,205,786
Provision for impairment of receivables	(41,039)	(153,635)
	384,290	1,052,151
Other receivables	250,922	172,079
	635,212	1,224,230

(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 01/11/2014	Charge for The year	Amount Written Off	Closing Balance 31/10/2015
	\$	\$	\$	\$
Consolidated Group				
(i) Current Trade Receivables	642,426	2,850	(491,641)	153,635
	Opening Balance 01/11/2015	Charge for The year	Amount Written Off	Closing Balance 31/10/2016
Consolidated Group				
(i) Current Trade Receivables	153,635	41,039	(153,635)	41,039

	Consolidated	
	2016	2015
	\$	\$
9. Inventories		
Merchandise Stock	135,693	226,380
Food & Liquor	4,806	4,821
Provision for Stock Obsolescence	(102,351)	(144,114)
	38,148	87,087

10. Controlled Entities

	Country of incorporation	Controlling Interest	
		2016	2015
St Kilda Football Club Ltd	Australia	100%	100%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

	Consolidated	
	2016	2015
	\$	\$
11. Property, Plant and Equipment		
Leasehold Improvements		
At cost	12,687,671	12,697,340
Accumulated amortisation	(7,409,213)	(3,883,442)
	5,278,458	8,813,898
Plant and Equipment		
At cost	5,093,609	4,762,064
Accumulated depreciation	(3,859,012)	(3,328,441)
	1,234,597	1,433,623
Capital Works in Progress		
At cost	1,508,530	164,277
Total property, Plant and Equipment		
At cost	19,289,810	17,623,681
Accumulated depreciation / amortisation	(11,268,225)	(7,211,883)
	8,021,585	10,411,798

(a) Movements in Carrying Amounts

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

	Plant and equipment	Leasehold improvements	Capital works in progress	Total
	\$	\$	\$	\$
Consolidated Group:				
Balance at the beginning of year	1,433,623	8,813,898	164,277	10,411,798
Additions	360,373	3,348	1,344,253	1,707,974
Disposals	(8,482)	(13,017)	-	(21,499)
Transfers	-	-	-	-
Depreciation Expense	(550,917)	(3,525,771)	-	(4,076,688)
Carrying amount at the end of year	1,234,597	5,278,458	1,508,530	8,021,585

The useful life of our leasehold improvements has been revised down due to the Clubs prospective relocation to Moorabbin. As a result, the depreciation expense on leasehold improvements has increased by \$2.9m in the current financial year.

	2016	2015
12. Intangible Assets		
Gaming Licences		
At cost	1,254,540	1,254,540
Accumulated Amortisation	(528,282)	(402,484)
Total Intangible Assets	726,258	852,056

(a) Movement in Carrying Amounts

	Other Intangibles	Total
	\$	\$
Consolidated Group:		
Balance at the beginning of year	852,056	852,056
Additions	-	-
Disposal	-	-
Amortisation charge	(125,798)	(125,798)
Carrying value at the end of year	726,258	726,258



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

	Consolidated	
	2016	2015
	\$	\$
13. Other Assets		
Current		
Prepayments	288,188	176,941
All amounts are short term and the carrying values are considered to be a reasonable approximation of their value.		
14. Trade and Other Payables		
Current		
Unsecured Liabilities		
Trade payables	4,467,908	4,280,668
Sundry payables & accrued expenses	1,370,850	1,994,276
	5,838,758	6,274,944
Current unsecured liabilities includes a \$3,862,916 trade payable due to the Australian Football League.		
Non Current		
Unsecured Liabilities		
Sundry payables & accrued expenses	-	245,775
15. Other Current Liabilities		
Income in advance	1,591,247	1,374,362
16. Other Loans		
Non Current		
Unsecured Liabilities Other loans	2,857,570	2,857,570
The Group currently has a non interest bearing unsecured loan which has a review date of 7 th November 2017.		
17. Financial Liabilities		
Current		
Secured Liabilities		
Finance leases	133,891	106,100
Non Current		
Secured Liabilities		
Commercial Bill	3,250,000	4,550,000
Finance leases	162,156	72,100
	3,412,156	4,622,100
Commercial Bill facilities		
Total facilities available	6,750,000	6,750,000
Facilities utilised at balance date	(3,250,000)	(4,550,000)
Facilities not utilised at balance date	3,500,000	2,200,000



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

The facility is summarised as follows:

The Commercial Bill facility expires on 31st December 2017 and is classified as a non-current liability. The Group has one Commercial Bill outstanding at 31st October 2016. The 14 day Commercial Bill for \$3,250,000 will mature on 10th November 2016 at an interest rate of 2.78%.

Security

Guarantee limited to \$6,750,000 given by the Australian Football League ACN 004 155 211 to expire on 31st January 2018.

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

	Consolidated	
	2016	2015
	\$	\$
18. Employee Benefits		
Current		
Annual Leave	509,124	524,870
Long Service Leave	204,723	183,467
	713,847	708,337
Non Current		
Long Service Leave	247,721	148,753
	961,568	857,090
(a) Aggregate Employee Entitlements		
(b) Number of Employees		
Number of full time employees at year end	82	79

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	5	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 38,101 members (2015: 32,056).

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 2016

Consolidated

2016	2015
\$	\$

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	82,344	90,991
later than one year and not later than five years	284,688	298,188
later than five years	1,242,430	1,310,509
	1,609,462	1,699,688

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

(b) Minimum Player Payments

not later than one year	10,926,000	7,640,191
later than one year and not later than five years	11,725,000	6,025,000
later than five years	-	-
	22,651,000	13,665,191

(c) Finance Lease Commitments

The Group has a number of plant and equipment under finance lease with a current carrying value of \$414,545.

not later than one year	133,894	106,100
later than one year and not later than five years	162,156	72,103
later than five years	-	-
	296,050	178,203

(d) Moorabbin Reserve capital commitments:

The entity has entered into various contracts for the development of a new training and administration facility at Linton Street in Moorabbin, Victoria. The remaining of the contractual commitments is as follows:

not later than one year	1,307,673	-
later than one year and not later than five years	16,500	-
later than five years	-	-
	1,324,173	-

Grant revenue for the Moorabbin Reserve redevelopment has been recognised totalling \$5,413,959, the difference between this revenue and the capital commitments in Note 20 (d) relate to contracts which are yet to be signed as of balance date.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

	Consolidated	
	2016	2015
	\$	\$
21. Cash Flow information		
(a) Reconciliation of cash flow from operations with profit after income tax		
Profit/(loss) after income tax	1,107,311	(847,693)
Non cash flows in profit from ordinary activities		
– Net (profit)/loss on disposal or write-off of property & equipment	8,481	4,927
– Gift of plant and equipment	-	-
– Depreciation and Amortisation of non-current assets	4,202,486	1,237,032
– Bad debts expense	-	15,000
Changes in assets and liabilities		
– (Increase) / decrease in trade and other receivables	589,017	(568,043)
– (Increase) / decrease in inventory	48,941	61,112
– (Increase) / decrease in other assets	(111,247)	110,668
– Increase / (decrease) in employee benefits	104,478	192,867
– Increase / (decrease) in other current liabilities	216,885	268,456
– Increase / (decrease) in trade and other payables	(452,437)	2,465,137
Cash flow from operations	5,713,915	2,939,463
(b) Non-cash investing and financing activities		
Acquisition of plant and equipment by means of finance leases	290,245	50,371
(c) Reconciliation of cash		
Cash balance comprises:		
– cash at bank	4,351,052	1,740,935
– cash on hand	100,172	103,008
Closing cash balance	4,451,224	1,843,943



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

	Consolidated	
	2016	2015
	\$	\$
22. Parent entity information		
Information relating to St Kilda Saints Football Club Limited (Parent)		
Statement of financial position		
Current assets	5,398,573	3,320,057
Total assets	14,157,614	14,593,055
Current liabilities	8,274,743	11,318,313
Total liabilities	14,792,190	16,334,941
Net assets	(634,576)	(1,741,886)
Retained earnings	(634,576)	(1,741,886)
Total equity	(634,576)	(1,741,886)
Statement of profit or loss and other comprehensive income		
Profit for the year	1,107,311	(847,693)
Other comprehensive income	-	-
Total comprehensive income	1,107,311	(847,693)

The Parent Entity has capital commitments of \$1,324,173 to purchase plant and equipment (2015: nil).

The Parent Entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at year end.

23. 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.

24. Contingent Liabilities

There are no contingent liabilities that have been incurred by the Group in relation to 2016.

25. 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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2016

26. 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 14 to 34, are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards Reduced Disclosure Requirements including the Australian Accounting Interpretations and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31 October 2016 and of the performance for the year ended on that date of the 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

Melbourne

Dated on this 25th November 2016

The Rialto, Level 30
525 Collins St
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W www.grantthornton.com.au

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

We have audited the accompanying financial report of St Kilda Saints Football Club Ltd (the "Company"), which comprises the consolidated statement of financial position as at 31 October 2016, 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 Ltd is in accordance with the Corporations Act 2001, including:

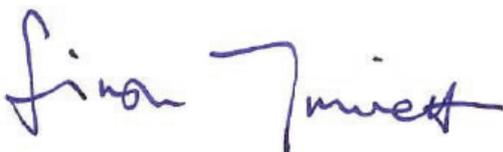
- i giving a true and fair view of the consolidated entity's financial position as at 31 October 2016 and of its performance for the year ended on that date; and
- ii complying with Australian Accounting Standards- Reduced Disclosure Requirements and the Corporations Regulations 2001.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1(b) in the financial report which indicates that the Company recorded a net profit of \$1,107,311 during the year ended 31 October 2016 of which further explanation is included within the note. As of that date, the Company's liabilities exceeded its assets by \$634,575. 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, 25 November 2016

