



ST KILDA SAINTS FOOTBALL CLUB LTD

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

CONSOLIDATED ENTITY ABN 86 005 174 836







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PRESIDENT'S REPORT

Dear Members of the St Kilda Football Club,

There is no doubt that the past year, from 1 November 2017 to 31 October 2018, provided its share of highs and lows.

We acknowledge the extreme disappointment of the 2018 AFL season and that on the field, we fell far below expectations.

But given this annual review encompasses our historic relocation to RSEA Park, the fielding of our first ever women's side, and the recent changes made to our football department, we must also recognise what has been achieved and look forward to what comes next.

I firstly want to address our football performance, as ultimately as a club, we will be judged by what happens on the field.

We entered the season with a clear aim to build on the momentum of the previous two seasons and indeed the work done over the past four to five years.

But that clearly wasn't the outcome.

Too often, we saw lapses during games and we weren't able to achieve the necessary consistency to be competitive week-in, week-out.

Dylan Robertson, Josh Bruce, Ben Long, Paddy McCartin and Blake Acres all missed significant periods of the season through injury, but strong teams are able to cope with injuries to key personnel.

While disappointed at our inability to overcome these obstacles, the upside was the number of games played by our younger players.

Eight Saints wore the red, white and black for the first time as Hunter Clark, Nick Coffield, Josh Battle, Bailey Rice, Ben Paton and Rowan Marshall provided a glimpse of their exciting talent.

Throughout 2018, we talked about the need for honest but considered assessment and change.

Some of that occurred during the season, but it was in more recent months when the most significant changes occurred.

Alan Richardson continued to show the characteristics we knew to be his strengths. His experience, knowledge and calmness meant that as difficult as the results were to take, the lessons were absorbed, and changes implemented.

While Alan acknowledges that like our playing group, he has areas to work on, the review of our football program identified a need for stronger support around him. The arrival of Brendon Lade and Brett Ratten are great outcomes, and I welcome both whole-heartedly to the Saints.

We have also bolstered the football program through the addition of Billy Slater as a leadership development coach, Graeme Allan as an advisor and Darren O'Shaughnessy as a senior football analyst.

To the assistant coaches who have departed, I wish them all the best in their future endeavours. They all displayed tremendous commitment to the club during their time with us.

Another key change at the club has been to take a new direction in recruiting and list management. As a result, we say goodbye to a loyal servant and very decent man in Tony Elshaug. We thank Tony for his efforts over many years and welcome James Gallagher to the Saints.

We must also recognise the players who have departed the Saints over recent months. I especially want to pay tribute to Sam Gilbert. Sam has left an indelible mark on our football club, not just as a warrior on the field but as an incredible ambassador off it.

As is the way in football, new faces have already arrived at the club to fill the void left by Sam and the other departing players. Dan Hannebery and Dean Kent were targeted for what they will bring to the Saints, and I welcome them and their families to the Saints.

The outcomes of the 2018 Draft aren't known at the time of the publishing this report, but we enter that well placed to add more top-end talent to our list after two Top 10 picks last year.

However, we know the time for moving past promise and potential has well and truly arrived. That is one of the reasons we will continue to prioritise investment in our football program and work hard during the summer to ensure the response next season is an emphatic one.

It is time for our football to mirror other advancements in the club, which I want to now acknowledge.

Our commitment to women's football stepped up this season with the club fielding its first ever female team in the form of the Southern Saints who competed in the VFL women's competition.

The team performed far beyond initial expectations, and I want to congratulate Jamie Cox, Peta Searle and everyone else involved – including former Saints champion Nathan Burke.

I also want to congratulate Rhiannon Watt and Alison Drennan on being joint inaugural winners of the Best and Fairest, and for their selection in VFLW Team of the Year. Well done also to the seven Southern Saints – including Ali and Rhiannon – in being selected by AFLW clubs to be part of the 2019 AFLW competition.

This result was an impressive feather in the cap of those involved in our women's program, and we look forward to ensuring these players return to Moorabbin when the Saints join the AFLW in 2020.

For 2018 highlights, it is hard to go past the club's return to RSEA Park, Moorabbin. It took vision and courage by many to even start the journey, and then the support of so many more to see the dream become a reality.

More than that, it took tremendous skills to execute and deliver such an outstanding outcome.

To all our Reimagine Moorabbin donors at every level, to the government – both local and State – to the AFL and to our community partners, I offer on behalf of all Saints our sincere gratitude.

A special thanks must be given to Gerry and Val Ryan. There is a moment in every project when someone is the first to put their hand up and give the confidence for others to follow. Our thanks to Gerry and Val for being those people again, as they have so often been in the past.



PRESIDENT'S REPORT (CONTINUED)

RSEA Park might be shiny and new, but from the start, it has embraced our 145-year history.

Today, it provides a great facility for everyone, whether it be players, staff, members or supporters. It honours our past and will be our meeting place, our home, and where we can all feel we belong.

It will also be a catalyst for our future and help attract high-end talent to the club.

RSEA Park provides a direct link with our community, especially through our sporting community partners who have now moved into RSEA Park on the completion of the final part of Stage 1.

That won't see the end of development though, with Stage 2 ready to commence following the securing of \$13 million of funding from the State Government earlier this year.

Critical to the success of any organisation is financial strength and stability. In recent years, we have set out to improve the club's financial stability despite having limited recent on-field success. Compounding that was a background of existing debt, mainly related to the poor stadium deal the club received for 17 years.

Throughout this period, we have also confronted the challenge of needing to invest in the club's foundations.

Investment in our community programs, in relationships with key partners such as the Sandringham Football Club, in our staff and programs, in our member servicing and in our commitment to our sponsors, have all been important steps in rebuilding the club.

We have also sought to lift the investment in our football program.

In 2018, we increased our non-player football spend by \$1,944,988. We have also carefully managed our salary cap capacity, so we can be aggressive in retaining and attracting players in the future.

While we will not gloss over the disappointment of the 2018 season, we are undoubtedly a deeper and better club in so many areas.

Our relationships with key partners, both in the commercial and community space, as well as with all levels of government, are very strong and continue to grow.

One of the final parts of the platform to facilitate financial security was a new stadium arrangement, something that was achieved for the commencement of the 2018 season.

This outcome was important for two reasons.

Firstly, it means we can address our debt. We have never lost sight of the debt levels nor of the need to reduce that debt. But we have also seen the need to invest in key areas, the most obvious one being the redevelopment of RSEA Park.

This has seen debt rise, with some of the money pledged to this project coming in future years, requiring the club to initially fund the expenditure.

This investment in RSEA Park will see it become the bedrock of our future success for decades to come.

Secondly, an improved stadium deal enables us to continue to invest in and grow our club. We need to increase our revenue base, and that will require greater investment at times.

There is no doubt that this next phase has been stalled somewhat by our 2018 on-field performance.

Our net profit of \$10.1 million looks impressive, but includes grants income of \$13.1 million. Our earning before interest, tax and depreciation (EBITDA) was \$0.2 million, in comparison to \$0.8 million the year prior.

The new stadium deal delivers greater financial returns, and this season, we did receive greater returns than in previous years. But the returns are still heavily influenced by match-day attendances, which were down. As a result, the outcome for 2018 was considerably lower than our expectations.

Being a formal report of our club, it is appropriate we acknowledge the success of the West Coast Eagles in winning the 2018 Premiership. We also congratulate 2018 Brownlow medallist, Tom Mitchell. I'd also like to congratulate the AFL on another successful 2018 season.

In terms of the Saints, I congratulate Jack Steven on his fourth Trevor Barker Medal, and all the other award-winners announced at our Best and Fairest. I also congratulate Ben Long and Hunter Clark on their NAB Rising Star nominations.

Sometimes, it is in the tougher times that you appreciate even more the efforts and support of so many great people who make up our great club.

I am sure you can imagine the extra pressure placed on the staff and management from the season we had. Added to that was the move back to RSEA Park and the introduction of a VFLW team.

Their response was something I am proud to have witnessed, and I congratulate Matt Finnis and his team on this.

In addition, I would like to recognise my fellow Directors. I know we all shared great pride in returning to RSEA Park. The season of course provided added pressure. It was important that as a group, we stayed strong and focussed to ensure a proper analysis was done, the right changes identified and then implemented.

To you, our members, thank you for your support in a challenging year. I am always amazed at the commitment of our great coterie groups such as the Haloes, the Coaches' Club, the Angels and True Believers.

The Saints Cheersquad was reshaped going into 2018 and its members embraced these changes and continued to work tirelessly in their support of the Saints.

I also want to acknowledge our interstate and regional supporter groups across the country who also contribute heavily to the club.

One of the absolute standout achievements this year was surpassing our record membership figure. We understand it has been a difficult season for all of you and know we need to make you proud once again. We value every single member, and we will continue to do everything we can to show that in the way we treat and respect you.



PRESIDENT'S REPORT (CONTINUED)

I also thank Russell Morris and his Committee from the St Kilda Past Players and Officials Association. This group continues to grow in strength – something I believe is so critical to the culture of our club.

Of course, I wish to thank principal partners Dare Iced Coffee and Pepper Money, and all of our wonderful sponsors for their support this year. We feel incredibly invested in the relationships we have created and look forward to them continuing long into the future.

Our thanks also go to the Sandringham and Frankston Football Clubs, and to all of our community partners, especially the South Metro Junior Football League, Southern Football Netball League and the Sandringham Dragons.

And as I mentioned earlier, we thank the State Government and Kingston City Council for their support, particularly in relation to RSEA Park.

The AGM at which this report will be tabled will be my last as a Director and therefore President of the Saints, having reached my maximum term under our Constitution.

It has been a privilege to serve the club I love so much.

What has made it such a remarkable experience has been the people I have worked with and met, right across the country.

There are far too many to mention but I thank every one of you.

I also thank my family and close friends for their support.

You simply cannot give the effort and commitment required without that support. I particularly thank Karen for her support and the work she has done, especially around the players' parents and families, and our women's football program.

Finally, I thank Andrew Bassat for accepting the role of President going forward. He is a man with outstanding business acumen, experience, knowledge and passion for the Saints, and his desire to see us win our second premiership is unmatched.

Our club has been questioned and challenged to respond. That means all of us. If we fracture and leave the heavy lifting to select groups, we will fall short of that which we all desire: our second flag. **Strength Through Loyalty** has rarely been as relevant as it is now.

I look forward to providing whatever support I can to Andrew and Matt going forward, and I have confidence you, our members, will do likewise.

But most importantly, I am looking forward to the 2019 season. I love this great game of ours and I love the St Kilda Football Club.

I look forward to seeing you at our AFL and VFLW games in 2019.

Thanks again for your support and as always,

Go Saints.

Peter Summers

President





CHIEF EXECUTIVE OFFICER'S REPORT

One of our major objectives over the past four years has been to build a more resilient business model in order to cope with the fluctuations in on-field performance.

The momentum we have generated through rising membership numbers, increases in attendance figures and the strengthening of our commercial and community arms was certainly put to the test over the past 12 months.

When we close the door on 2018, we will no doubt look back on the year as a time when we failed to capitalise on that momentum through continued on-field improvement.

Our performances have been well documented and have been addressed in this report by President Peter Summers.

What Peter has also conveyed are the significant changes that have been made to our football department in response.

Before those changes were made and even prior to the 2018 season, the club acknowledged there were areas for improvement within our football program. Experienced administrator Simon Lethlean was appointed General Manager of Football as part of a restructure and was mandated to review our football program in his role.

The several appointments made to bolster our football program in recent months are a direct result of that review, and we look forward to the impact, knowledge, experience and expertise these individuals will have on the St Kilda Football Club in both the short and long term.

Before I shift my focus to off-field matters, I wish to add my congratulations to Jack Steven for winning his fourth Trevor Barker Award and to Sam Gilbert, who has retired after 13 years of incredible service to the Saints. Sam surpassed the 200-game milestone in Round 6 and richly deserves recognition for who he has been as both a player and ambassador at the Saints. I'd also like to thank all those players, coaches and staff who departed the Club at season's end and thank them for their service to the Saints.

New stadium agreement in place

One of the most important elements in the club's quest for long-term success is a strong stadium deal that allows us to compete on a level playing field with the rest of the AFL competition.

Striking an agreement to re-engineer our commercial arrangements at Marvel Stadium with the AFL earlier this year has provided a secure financial platform on which to build.

Unfortunately, due to a significant decrease in attendance numbers as a result of our poor on-field performance, we were unable to fully capitalise on the forecast gains in match return revenue under the new agreement in 2018.

Home at Moorabbin

Immediately prior to the season commencing we finally moved back home to Linton Street as part of our \$31M revitalisation of RSEA Park. In recent weeks, the full Stage 1 of the redevelopment was completed, which saw the Saints joined at RSEA Park by the Southern Football Netball League, the South Metro Junior Football League, the Sandringham Dragons talent program and AFL Victoria.

This has been an incredibly significant undertaking for the club and lays a critical foundation for our future.

The club and the St Kilda Football Club Foundation committed to contributing \$4.7m towards the redevelopment of RSEA Park in this financial year and have met that commitment. A further \$3.5m is to be raised in future years, \$1.9m of which has already been pledged to the Foundation by our generous donors.

In line with the above, the club's contribution towards the development of RSEA Park resulted in our bank debt increasing by \$3.0m to \$6.25m in 2018.

With the State Government committing \$13 million in funding for Stage 2, RSEA Park will soon become a \$44 million facility that will underpin the success of St Kilda's men's and women's teams for generations to come.

Stage 2 will commence in the new year, with the addition of a swimming pool and Health & Wellness centre, a 1000-seat grandstand and purpose-built facilities for our AFLW team.

History in the making

Fielding the club's first ever women's team in 2018 was a profound moment in St Kilda's 145-year history and an important step on our journey towards the AFLW in 2020.

The Southern Saints performed strongly in the VFL women's competition under the guidance of Peta Searle, winning five games and producing seven players who will feature in the AFLW next season.

Another remarkable first this year was the establishment of Saints' wheelchair side, who competed in the inaugural season of the Victorian Wheelchair Football League.

The Club's commitment to inclusion also led to a new community partnership with Wallara, an organisation established to provide training, work experience and support to members of the community living with a disability.

Another important initiative was the development of SaintsPlay, which saw the club's Seaford and Moorabbin headquarters used as special Auskick centres, providing a specially designed program for kids with intellectual disabilities.

A breeding ground for talent

Led by St Kilda assistant coach Aaron Hamill, our VFL affiliate Sandringham started the season well but was forced to field an inexperienced line-up for much of the second half of the season.

A long injury list in the Saints' senior line-up proved a difficult obstacle to overcome, and the Zebras weren't able to match it with the best teams in the VFL.

Importantly though, young Saints Nick Coffield, Hunter Clark, Bailey Rice, Ed Phillips, Darragh Joyce, Rowan Marshall and Ben Paton all earned their AFL debut after their form with the Zebras, demonstrating the importance of the close ties our clubs share. We thank Nick Johnstone, his board of directors and new CEO David Cannizzo for their ongoing support of the alignment.



CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

Finding future Saints

St Kilda's Next Generation Academy partnered with the interleague programs of the South Metro Junior Football League and the Frankston and District Junior Football League in 2018 to support the development of more than 800 players from under-12s to under-15s.

In addition, a select group of 28 talented players aged 16-19 with multicultural and indigenous heritage participated in the Saints' NGA 'Elite Talent Program'.

These players are all approved and eligible to be drafted by the Saints under the NGA draft concession rules in years to come.

On top of visiting 140 schools, 40 Auskick centres and 45 junior clubs, community programs working with Bayside schools and multicultural and indigenous community groups were facilitated under the St Kilda Community Strategy.

Building a strong and robust business

In 2018, the St Kilda Football Club delivered an operating profit before grant-funding revenue, depreciation, amortisation and interest of \$202,671 (2017: \$796,001) and an overall accounting net profit of \$10,124,972 (2017: \$5,267,414).

St Kilda's overall accounting net profit includes Moorabbin Reserve grant-funding revenue of \$13,149,766, depreciation and amortisation expenses of \$2,937,477.

Notable elements of the 2018 financial result include:

Sponsorship: St Kilda's sponsorship-related profit rose by \$0.13m with the addition of Australian Paper (Women's Football major sponsor) and three associate level sponsors in Holmesglen, CUB and Mon Jon. RSEA Safety's partnership with the club, including naming rights for Moorabbin, also strengthened in 2018.

Corporate Hospitality and Events: Through the support of our two major coterie groups (The Halos and the True Believers), our committed player sponsors, the Coaches' Club, and the new Bay2Business program, profit grew by \$0.26m.

Membership: With membership numbers increasing to 46,998 and savings in reserved seat expenditure as per the new stadium deal, membership profit increased by \$0.88m on the previous year.

Match Attendance: Total attendance recorded for the 2018 season was 280,458 (2017: 343,384) with an average attendance over our eleven home games of 25,499 (2017: 31,217) and resulted in a net match return of \$1.7m (2017: \$1.5m). The stronger new stadium agreement ensured, whilst a drop in average crowds of 5,718, the net match return generated \$0.2m higher than 2017. The 2018 average attendance was well below our expected average attendance of 32,000 set at the beginning of the year.

Social Club: Our social club venue moved into its new space at RSEA Park under the auspices of the Moorabbin Social brand name. The fresh venue helped generate increased profits of \$0.3m. The club also entered into a Gaming Services Agreement with Tabcorp Gaming Services. As part of this deal, the club generated a profit of sale of assets of \$0.38m.

AFL Funding: In accordance with our desire to reduce reliance on AFL funding, the Club's annual variable distribution decreased by \$0.5m in 2018. However, given the increase in player payments provided to all AFL Clubs (due to the introduction of the new CBA) and improved stadium signage revenue included in Marvel Stadium tenancy deals, overall revenues from the AFL decreased by \$0.1m. The Club also reduced its AFL trade payable balance by \$0.7m to \$3.1m in line with our AFL debt reduction plan.

Football expenditure: The club increased football department expenditure by \$1.95m as per our commitment to continue to invest in this area. This includes spending on our new VFLW program of \$0.43m.

Administration: Costs have decreased by \$0.65m. This is largely due to writing down the Seaford facility in the prior year.

Passion and commitment

I would like to thank our executive team and the hardworking staff at St Kilda, along with the players and coaches for their commitment to the football club.

They have shown great resolve and dedication amid a trying year, and I sense the determination to respond in 2019 exists in every pocket of the club.

Our volunteers, coterie, sponsors and community partners have all contributed enormously to the Saints, and I am constantly blown away by their passion for the red, white and black.

I also want to thank the Board of Directors and their respective partners, for their support, guidance and commitment to advancing the St Kilda Football Club.

It is important to recognise outgoing President Peter Summers. Peter brought great stability, leadership and vision over the past nine years as a director and five as President.

He was a driving force behind the return to Moorabbin, and his support of myself and the team at St Kilda is something for which I will be eternally grateful.

I look forward to working with new President elect Andrew Bassat to build on the foundations laid under Peter's leadership as the club focuses on delivering an historic second premiership.

Finally, to the members of the St Kilda Football Club, I want to thank you for your unwavering loyalty to the Saints and want you to know how driven we are to make you proud in 2019.

Matt Finnis
Chief Executive Officer



2018 HONOURS AND AWARDS

Trevor Barker Award:	Jack Steven
Runner-up:	Sebastian Ross
Third-place:	Jack Steele
Leading goalkicker:	Jade Gresham (35 goals)
Best emerging player:	Jade Gresham
Robert Harvey Best Clubman:	Dylan Robertson
Lenny Hayes Player Trademark Award:	Jack Steele
John Moran Loyalty Award:	Donna Francis
Life membership:	Damien Meyers
Milestones:	200 – Sam Gilbert. 100 – Seb Ross. 50 – Jack Sinclair, Jade Gresham, Jack Steele, Blake Acres, Jack Lonie.
Debutants:	Hunter Clark (Round 1), Nick Coffield (Round 3), Ed Phillips (Round 8), Bailey Rice (Round 9), Darragh Joyce (Round 15), Nathan Freeman (Round 20), Ben Paton (Round 21)
NAB Rising Star Nominations:	Ben Long (Round 5), Hunter Clark (Round 13)
Past Players and Officials who have passed away in 2018:	Len Burns – Life Member, Past Official, Curator – December 2017 aged 88 Geoff Jones – Past Player, played 19 games – January 2018 aged 87 Geoff Hibbins – Past Player, played 33 games – March 2018 aged 88 Brian Mee – Past Player, played 10 games – May 2018 aged 88 Dr Michael Nissen – Life Member – July 2018 Ray Houston – Past Player, played 34 games – September 2018, aged 85 Thomas Meehan – Past Player, played 73 games – October 2018, aged 92 John O'Donnell – Past Player, played 33 games – November 2018, aged 71



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 2018.

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 of 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.
Andrew Bassat	Vice President
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. 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.
Matt Finnis	Director and Chief Executive Officer
Qualifications	Bachelor of Arts (Psych), Bachelor of Laws (Hons), Advanced Management Program (INSEAD), Vincent Fairfax Fellowship
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 AFLPA 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>Before his roles in the AFL Matt worked as a commercial lawyer advising numerous sporting organisations, businesses, athletes and government. 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. Matt was a director of Surfing Australia – the peak governing body for the sport of surfing between 2007 and 2016 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> <p>Matt has been a founding member of the Sport Male Champions of Change Group since 2015 working with influential leaders to redefine men's role in taking action on gender inequality.</p>
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 Horizon Roads Pty Ltd, Chairman of the Melbourne and Olympic Parks Trust, a Director of Aurizon Ltd and a Trustee of the Australian Cancer Research Foundation.
Other responsibilities	Chairman of the Remuneration Committee



DIRECTORS' REPORT (CONTINUED)

Paul Kirk	Director
Qualifications	Bachelor of Economics and Member of 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. Paul is also a Non-Executive Director of a number of other entities.
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>
Liz Dawson MNZM	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, gaming, infrastructure and corporate organisations, including New Zealand Racing Board and Westpac Stadium Trust Board. She is currently a director on the boards of NZ Cricket, NZ Olympic Committee, Hurricanes Rugby, and is the Chair of Kiwi Insurance Ltd.</p> <p>She is a member of the Oceania Olympic Women in Sport Commission, and was recognised in the New Year's Royal Honours as a Member of the New Zealand Order of Merit for services to sports governance</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 27 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 11 years coaching Junior Football.
Jack Rush	Director
Qualifications	Bachelor of Laws
Experience	Upon graduating in Law from Monash University B.Juris, LLB, Jack has practised as a barrister in major litigation in all areas of law in jurisdictions throughout the country. He is a Queen's Counsel, a former Chairman of the Victorian Bar Council and from 2013 to 2015 served as a Supreme Court Judge returning to the Bar on 1 February 2016. He was senior counsel assisting the Royal Commission into the Black Saturday fires of February 2009 and in 2012 was commissioned by the State Government to inquire into the operation and effectiveness of the senior command of Victoria Police and make recommendations for restructure. Jack has served in the Royal Australian Navy Reserve for in excess of 30 years and holds the rank of Commodore. He is currently Deputy Judge Advocate General - Navy. Prior to joining the St Kilda Football Club Board, Jack was Chair of the AFL Grievance Tribunal and provided legal advice to the AFL on a range of football matters. Jack also has a long association with the Victorian Amateur Football Association having served on the executive of the Association and is a former president of the Old Xaverian Football Club. Jack is a lifelong supporter of the Saints.



DIRECTORS' REPORT (CONTINUED)

Directors' Meetings

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

	Number of meetings eligible to attend	Number of meetings attended
Peter Summers	9	9
Andrew Thompson	9	9
Matt Finnis	9	9
Paul Kirk	9	9
Russell Caplan	9	9
Danni Roche	9	8
Liz Dawson	9	2
Dean Anderson	9	9
Andrew Bassat	9	8
Jack Rush	9	7

Company Secretary

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

Yohan Pereira – Bachelor of Business (Accounting), Member of Chartered Accountants Australia and New Zealand. Yohan has worked for the St Kilda Saints Football Club since 2010, 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. Yohan 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:

- Be a top 4 side that is positioned to be a consistent premiership contender
- Redevelop sporting and social facilities at our Moorabbin premises
- Increase in our membership base and fan engagement
- 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
- Deliver sustainable cash profits through improving revenues from football and non-football related trading activities
- Have infrastructure and home match stadium returns the equivalent of our competitors

The Group's long term objectives are to:

- 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



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 \$10,124,972 (2017: \$5,267,414). Included within the net profit is: Moorabbin Reserve grant funding revenue of \$13,149,766 (2017: \$8,855,565); a total depreciation charge of \$2,812,023 which includes the final accelerated depreciation charge for Seaford of \$1,763,861 and part year depreciation for RSEA Park of \$583,825.

Excluding the grant funding revenue, depreciation and amortisation expenses the Club produced an operating profit before interest of \$202,671 which is down on the 2017 result of \$796,001. The reduction largely relates to greater investment in the football department (both men's and women's), and a reduction in AFL financial support provided under the Investment model, offset by increased returns in commercial, gaming, and stadium related profit from the new stadium agreement.

Profit from the commercial areas of the business which include sponsorship, fundraising, hospitality and events, grew by \$451,315 whilst the consumer business grew by \$670,119 largely due to the reserved seat cost savings from the new stadium agreement. Gaming profit also increased by \$720,715 which was driven by increased returns and the one-off sale of the gaming floor. These increases allowed the club to further invest in the Football Department with expenditure in men's player and non-player increasing by \$1,515,600 whilst spend on women's football increased by \$429,388.

The consolidated group made payments during the year in relation to Stage 1 of RSEA Park construction, this has been part funded through contributions from its major stakeholders, The St Kilda Football Club Foundation Ltd and external debt funding. As a result our bank debt has increased to \$6.25m from \$3.25m.

After Balance Date Events

Information regarding after balance date events is provided in Note 23 of the Financial Statements.

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 46,998 members (2017: 42,094).



Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 October 2018 has been received and can be found in page 13 of the directors' report.

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

A handwritten signature in black ink, appearing to be 'PS'.

Peter Summers
President

A handwritten signature in black ink, appearing to be 'Paul Kirk'.

Paul Kirk
Director

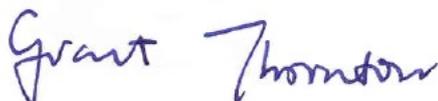
Melbourne
Dated on this 22nd November 2018

Auditor's Independence Declaration

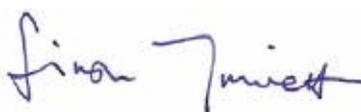
To the Directors of St Kilda Saints Football Club Ltd

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 2018, 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, 22 November 2018



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 October 2018

	Notes	Consolidated	
		2018	2017
		\$	\$
Operating revenues	2	40,714,452	39,097,101
Non-operating revenues	2a	13,149,766	8,855,565
Total revenue		53,864,218	47,952,666
Administration & facilities management		7,922,304	8,841,659
Community		1,111,598	822,358
Football		25,659,989	23,715,001
Fundraising		62,394	58,779
Ground & maintenance		188,605	188,438
Match day		164,313	151,819
Membership & reserved seats		2,897,570	3,726,290
Merchandise		574,205	565,045
Social club		1,624,977	1,317,705
Sponsorship & events		3,243,303	3,071,810
Total Expenses other than finance costs		43,449,258	42,458,904
Profit before related income tax expense and finance costs		10,414,960	5,493,762
Finance costs	3	289,988	226,348
Profit before related income tax expense		10,124,972	5,267,414
Income tax expense	4	-	-
Profit after related income tax expense		10,124,972	5,267,414
Other comprehensive income from the year, net of tax		-	-
Total comprehensive income for the year		10,124,972	5,267,414

The accompanying notes form part of these financial statements.



STATEMENT OF FINANCIAL POSITION

As at 31 October 2018

	Notes	Consolidated	
		2018	2017
		\$	\$
Current assets			
Cash and cash equivalents	7	1,416,395	4,809,098
Trade and other receivables	8	1,717,076	1,088,750
Inventories	9	160,248	139,687
Other assets	13	130,132	344,794
Total current assets		3,423,851	6,382,329
Non-current assets			
Property, plant and equipment	11	31,262,272	15,137,883
Intangibles	12	500,700	600,804
Total non-current assets		31,762,972	15,738,687
Total assets		35,186,823	22,121,016
Current liabilities			
Trade and other payables	14	7,725,140	8,387,951
Other current liabilities	15	1,710,970	1,680,582
Other short-term loans	16	2,857,570	2,857,570
Short-term borrowings	17	378,470	3,348,240
Employee benefits	18	1,039,007	902,075
Total current liabilities		13,711,157	17,176,418
Non-current liabilities			
Long-term borrowings	17	6,450,003	96,424
Employee benefits	18	267,852	215,335
Total non-current liabilities		6,717,855	311,759
Total liabilities		20,429,012	17,488,177
Net assets		14,757,811	4,632,839
Members' equity			
Contributed equity	19	5	5
Accumulated earnings		14,757,806	4,632,834
Total members' equity		14,757,811	4,632,839

The accompanying notes form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2018

	Accumulated earnings (losses)	Contributed equity	Total
Consolidated Group	\$	\$	\$
Balance at 31 October 2016	(634,580)	5	(634,575)
Total comprehensive income attributable to members of Group	5,267,414	-	5,267,414
Balance at 31 October 2017	4,632,834	5	4,632,839
Total comprehensive income attributable to members of Group	10,124,972	-	10,124,972
Balance at 31 October 2018	14,757,806	5	14,757,811

The accompanying notes form part of these financial statements.



STATEMENT OF CASH FLOWS

For the year ended 31 October 2018

	Notes	Consolidated	
		2018	2017
		\$	\$
Cash flows from operating activities			
Receipts from customers, members, sponsors & Australian Football League		44,329,506	42,383,658
Moorabbin redevelopment funds		13,145,500	8,750,000
Payments to suppliers and employees		(44,650,405)	(41,757,335)
Interest received		6,282	107,256
Finance costs		(289,988)	(226,348)
Net cash flows provided by operating activities	21(a)	12,540,895	9,257,231
Cash flows from investing activities			
Purchase of property, plant and equipment		(19,292,058)	(8,587,840)
Purchase of intangible assets		(25,349)	(210,134)
Net cash flows used in investing activities		(19,317,407)	(8,797,974)
Cash flows from financing activities			
Repayment of borrowings		(7,700,000)	(6,250,000)
Proceeds from borrowings		10,700,000	6,250,000
Repayment of finance leases		(230,001)	(168,764)
Proceeds from finance leases		613,810	67,381
Net cash flows provided by/(used in) financing activities		3,383,809	(101,383)
Net increase in cash and cash equivalents held		(3,392,703)	357,874
Add cash and cash equivalents at the beginning of the financial year		4,809,098	4,451,224
Cash and cash equivalents at the end of the financial year	21(c)	1,416,395	4,809,098

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2018

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 22nd November 2018.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian 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 \$10,124,972 for the year ended 31st October 2018 (2017: \$5,267,414). At year end the Group has net assets of \$14,757,811 (2017: \$4,632,839) and a net current asset deficiency of \$10,287,306 (2017: \$10,794,089). This result includes Moorabbin Reserve grant funding revenue and additional depreciation charged due to the clubs expected relocation to Moorabbin. Post balance date the Group extended its loan facilities with the Australian Football League (AFL) to the 7th December 2019. 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 AFL including:
 - a. The continued guarantee of the Group's borrowing facilities with Westpac totalling \$6.75m (currently drawn to \$6.25m).
 - b. Funding assistance in 2019 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 2018

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 2018

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 – 40 years	Straight line
Leased plant and equipment	3 - 5 years	Straight line
Plant and equipment	3 – 20 years	Straight line

The asset's 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 2018

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.

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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2018

1. Statement of significant accounting policies (continued)

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 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 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 or sale.

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2018

1. Statement of significant accounting policies (continued)

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 2018 is an amount receivable from two debtors with a balance aged greater than the Group's standard trading terms. The provision for impairment of receivables provides for 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 2018

2. Revenue

Revenue from operating activities

AFL distributions and other income	20,539,315	20,602,885
Community	365,374	267,326
Finance & administration	79,038	167,143
Fundraising	298,628	239,519
Gain on sale of plant & equipment	384,353	-
Match returns	1,691,324	1,525,634
Membership & reserved seats	7,524,807	7,477,148
Merchandise	513,703	710,803
Social club	2,577,679	1,934,045
Sponsorship & events	6,738,219	6,170,905
	40,712,440	39,095,408

Revenue from other activities

Interest – financial institutions	2,012	1,693
Total revenue from operating and other activities	40,714,452	39,097,101

2a. Non-operating revenue

Moorabbin redevelopment funds – government grants and contributions	13,149,766	8,855,565
Total revenue	53,864,218	47,952,666



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2018

	Consolidated	
	2018	2017
	\$	\$
3. Expenses		
<i>Finance costs:</i>		
Financial Institutions	180,978	100,372
Other	109,010	125,976
<i>Total Finance costs</i>	289,988	226,348
<i>Depreciation of:</i>		
Leasehold improvements – RSEA Park	583,825	24,378
Leasehold improvements – Linen House Centre	1,763,861	3,516,462
Property, plant and equipment	464,337	491,510
Total depreciation of property, plant and equipment	2,812,023	4,032,350
<i>Amortisation of:</i>		
Licenses – gaming entitlements	125,454	125,454
<i>Net expense including movements in:</i>		
Provision for impairment of receivables	(39,638)	(20,661)
<i>Net expense for movements in provision for:</i>		
Employee entitlements	189,449	155,842
<i>Rental expense on Operating leases:</i>		
Minimum lease payments	101,932	63,772
<i>Employee Benefit Expenses</i>		
Salary, wages, termination expense and other benefits	27,251,712	25,796,255
Defined contribution superannuation expense	1,615,426	1,240,111
Total employee benefit expense	28,867,138	27,036,366

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

For the year ended 31 October 2018

	Consolidated	
	2018	2017
	\$	\$
4. Income Tax Expense		
(a) The components of tax expense comprise		
Current Tax	-	-
Under/(over) provision in respect of prior years	-	-
	<u>-</u>	<u>-</u>
(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%	(3,037,492)	(1,580,224)
Add:		
Tax effect of:		
- Unrecognised tax losses and temporary differences	(1,800)	(2,515)
- losses exempt from income tax	3,039,292	1,582,739
Income tax attributable to the entity	<u>-</u>	<u>-</u>
5. Transactions with Key Management Personnel		
Key management personnel compensation included in employee benefits expenses are:	3,245,633	3,133,248
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	47,500	46,750
- AFL specific compliance	19,500	15,000
- other services	2,250	3,000
	<u>69,250</u>	<u>64,750</u>
7. Cash and Cash Equivalents		
Cash at bank	1,309,662	4,710,340
Cash on hand	106,733	98,758
	<u>1,416,395</u>	<u>4,809,098</u>

Included in the cash at bank balance are unspent funds held for the Moorabbin Reserve redevelopment totalling \$962,139 (2017: \$4,344,390).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2018

	Consolidated	
	2018	2017
	\$	\$
8. Trade and Other Receivables		
Current		
Trade receivables	1,378,658	923,336
Provision for impairment of receivables	(60,017)	(20,379)
	1,318,641	902,957
Other receivables	398,435	185,793
	1,717,076	1,088,750

(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 01/11/2016	Charge for The year	Amount Written Off	Closing Balance 31/10/2017
	\$	\$	\$	\$
Consolidated Group				
(i) Current Trade Receivables	41,039	20,846	(41,506)	20,379

	Opening Balance 01/11/2017	Charge for The year	Amount Written Off	Closing Balance 31/10/2018
	\$	\$	\$	\$
Consolidated Group				
(i) Current Trade Receivables	20,379	58,548	(18,910)	60,017

	Consolidated	
	2018	2017
	\$	\$
9. Inventories		
Merchandise Stock	149,262	172,719
Food & Liquor	15,521	6,146
Provision for Stock Obsolescence	(4,535)	(39,178)
	160,248	139,687

10. Controlled Entities

	<i>Country of incorporation</i>	Controlling Interest	
		2018	2017
St Kilda Football Club Ltd	Australia	100%	100%

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

For the year ended 31 October 2018

	Consolidated	
	2018	2017
	\$	\$
11. Property, Plant and Equipment		
Leasehold Improvements		
At cost	32,266,323	12,721,573
Accumulated amortisation	(12,111,645)	(10,950,052)
	20,154,678	1,771,521
Plant and Equipment		
At cost	4,307,616	5,281,179
Accumulated depreciation	(3,164,413)	(4,306,640)
	1,143,203	974,539
Capital Works in Progress		
At cost	9,964,391	12,391,823
Total Property, Plant and Equipment		
At cost	46,538,330	30,394,575
Accumulated depreciation / amortisation	(15,276,058)	(15,256,692)
	31,262,272	15,137,883

(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	974,539	1,771,521	12,391,823	15,137,883
Additions	988,648	4,529	18,298,882	19,292,059
Disposals	(355,647)	-	-	(355,647)
Transfers	-	20,726,314	(20,726,314)	-
Depreciation Expense	(464,337)	(2,347,686)	-	(2,812,023)
Carrying amount at the end of year	1,143,203	20,154,678	9,964,391	31,262,272

	2018	2017
12. Intangible Assets		
Gaming Licences		
At cost	1,279,890	1,254,540
Accumulated Amortisation	(779,190)	(653,736)
Total Intangible Assets	500,700	600,804

(a) Movement in Carrying Amounts

	Gaming Licences	Total
	\$	\$
Consolidated Group:		
Balance at the beginning of year	600,804	600,804
Additions	25,350	25,350
Disposal	-	-
Amortisation charge	(125,454)	(125,454)
Carrying value at the end of year	500,700	500,700



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2018

	Consolidated	
	2018	2017
	\$	\$
13. Other Assets		
Current		
Prepayments	130,132	344,794
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	6,023,635	7,636,259
Sundry payables & accrued expenses	1,701,505	751,692
	7,725,140	8,387,951
Current unsecured liabilities includes a \$3,068,499 trade payable due to the Australian Football League.		
15. Other Current Liabilities		
Income in advance	1,710,970	1,680,582
16. Other Loans		
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 7th November 2018. Post balance date, the unsecured loan has been extended and now expires on the 7th November 2019.		
17. Financial Liabilities		
Current		
Secured Liabilities		
Commercial Bill	-	3,250,000
Finance leases	378,470	98,240
	378,470	3,348,240
Non-current		
Secured Liabilities		
Commercial Bill	6,250,000	-
Finance leases	200,003	96,424
	6,450,003	96,424
Commercial Bill facilities		
Total facilities available	6,750,000	6,750,000
Facilities utilised at balance date	(6,250,000)	(3,250,000)
Facilities not utilised at balance date	500,000	3,500,000

**NOTES TO THE FINANCIAL STATEMENTS** (CONTINUED)**For the year ended 31 October 2018**

The facility is summarised as follows:

The Commercial Bill facility expires on 31st December 2020 and is classified as a non current liability. The Group has one Commercial Bill outstanding at 31st October 2018. The 9 day Commercial Bill for \$6,250,000 will mature on 8th November 2018 at an interest rate of 2.6%.

Security

Guarantee limited to \$6,750,000 has been given by the Australian Football League ACN 004 155 211 to expire on 31st January 2021. The fair value of current borrowings approximates their carrying amount as the impact of discounting is not significant.

	Consolidated	
	2018	2017
	\$	\$
18. Employee Benefits		
Current		
Annual Leave	596,150	529,365
Long Service Leave	442,857	372,710
	1,039,007	902,075
Non-current		
Long Service Leave	267,852	215,335
(a) Aggregate Employee Entitlements	1,306,859	1,117,410
(b) Number of Employees		
Number of full time employees at year end	88	85

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 46,992 members (2017: 42,094).

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 2018

Consolidated	
2018	2017
\$	\$

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	103,368	82,344
later than one year and not later than five years	315,411	284,688
later than five years	1,106,274	1,174,352
	1,525,053	1,541,384

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 31st October 2011.

(b) Minimum Player Payments

not later than one year	12,201,500	12,938,500
later than one year and not later than five years	14,095,000	14,865,000
later than five years	-	-
	26,296,500	27,803,500

(c) Finance Lease Commitments

The Group has a number of plant and equipment under finance lease with a current carrying value of \$350,001.

not later than one year	378,470	108,067
later than one year and not later than five years	200,003	106,066
later than five years	-	-
	578,473	214,133

(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	735,913	19,602,240
later than one year and not later than five years	-	24,100
later than five years	-	-
	735,913	19,626,340

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

For the year ended 31 October 2018

	Consolidated	
	2018	2017
	\$	\$
20. Capital and Leasing Commitments (continued)		
(e) Gaming Machine commitments:		
During the year the Group entered into a Gaming Services Agreement with Tabcorp. Under this agreement the Group has commitments for rental, maintenance and operational support for each machine until 2023.		
not later than one year	664,824	-
later than one year and not later than five years	2,659,295	-
later than five years	-	-
	3,324,119	-
21. Cash Flow information		
(a) Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	10,124,972	5,267,414
Non cash flows in profit from ordinary activities		
- Gain on sale of plant & equipment	(384,353)	-
- Depreciation and Amortisation of non-current assets	2,937,477	4,157,804
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	111,672	(453,537)
- (Increase) / decrease in inventory	(20,561)	(101,541)
- (Increase) / decrease in other assets	214,662	(56,606)
- Increase / (decrease) in employee benefits	189,449	155,842
- Increase / (decrease) in other current liabilities	30,388	89,335
- Increase / (decrease) in trade and other payables	(662,811)	198,520
Cash flow from operations	12,540,895	9,257,231
(b) Non-cash investing and financing activities		
Acquisition of plant and equipment by means of finance leases	613,810	168,764
(c) Reconciliation of cash & cash equivalents		
Cash balance comprises:		
- cash at bank	1,309,662	4,710,340
- cash on hand	106,733	98,758
Closing cash & cash equivalents balance	1,416,395	4,809,098



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2018

	Consolidated	
	2018	2017
	\$	\$
22. Parent entity information		
Information relating to St Kilda Saints Football Club Limited (Parent)		
Statement of financial position		
Current assets	3,421,090	6,368,549
Total assets	35,184,062	22,115,016
Current liabilities	13,708,157	17,170,841
Total liabilities	20,426,012	17,482,177
Net assets	14,758,050	4,632,839
Retained earnings	14,758,050	4,632,839
Total equity	14,758,050	4,632,839
Statement of profit or loss and other comprehensive income		
Profit for the year	10,125,211	5,267,414
Other comprehensive income	-	-
Total comprehensive income	10,125,211	5,267,414

The Parent Entity has capital commitments of \$735,913 to purchase plant and equipment (2017: \$19,626,340).

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

Post balance date the loan facilities with the Australian Football League (AFL) was extended. The AFL Loan Agreement has been extended to the 7th November 2019. Given the agreement was extended post balance date, it is disclosed as current liabilities in the financial statements. This puts the Group's net current asset deficiency at \$10,287,306. Had the new agreements been in place at balance date, the net current asset deficiency would have been \$7,429,736.

24. Contingent Liabilities

There are no contingent liabilities that have been incurred by the Group in relation to 2018.

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.

26. Company Details

The registered office 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 14 to 33, 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 2018 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 22nd November 2018

Independent Auditor's Report

To the Members of St Kilda Saints Football Club Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of St Kilda Saints Football Club Ltd ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 31 October 2018, 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, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 31 October 2018 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial statements, which indicates that, as at 31 October 2018, the Group's current liabilities exceeded its current assets by \$10,287,306. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 October 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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* and for 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.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

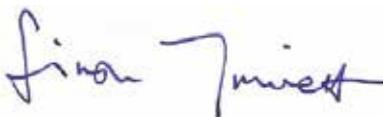
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



S C Trivett
Partner – Audit & Assurance

Melbourne, 22 November 2018



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