



ST KILDA SAINTS FOOTBALL CLUB LTD
ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED 31 OCTOBER 2019

CONSOLIDATED ENTITY **ABN 86 005 174 836**







CONTENTS

	Page
President's Report	2
Chief Executive Officer's Report	4
2019 Honours and Awards	7
Directors' Report	8
Auditor's Independence Declaration	13
Statement of Profit or Loss and Other Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Financial Statements	18
Directors' Declaration	33
Independent Audit Report	34



PRESIDENT'S REPORT

Dear Members of the St Kilda Football Club,

On behalf of the Board of Directors, I would like to extend our gratitude for your support during 2019.

It was a year mixed with great progress, disappointment, farewells, welcomes, tragedy and hope.

By supporting one another and uniting behind a common purpose, I truly believe we have emerged stronger than at any time in the past eight years. We remain focused on returning to finals football and not simply making up the numbers when we do.

We don't shy away from this being our major objective, and to that end, we were disappointed this was not achieved in 2019.

However, the strengthening of our business off the field, the recent vote of confidence from five key recruits, and the highly anticipated return of football to RSEA Park are evidence of the momentum being built at the club.

Farewelling a favourite son

2019 will always be the year we lost a giant of the Saints in Danny Frawley.

Danny epitomised the spirit of St Kilda, and his passing brought great sadness to everyone involved at the football club.

We are still coming to terms with the loss, and our thoughts and care remain with his family and friends.

It was touching to see so many supporters gather at RSEA Park to farewell Danny as he completed one final lap of honour.

The club is committed to honouring his legacy and stepping up our support of a community-wide approach to addressing the current mental health crisis.

We look forward to sharing these plans with you once they are finalised and providing an opportunity for fans to pay tribute to one of our favourite sons.

Ready to climb

The measure of our success in any given year will ultimately focus on on-field results.

Finishing 14th with nine wins and missing finals for the eighth straight year isn't where we want to be.

However, you can't fairly evaluate our season without taking into account the disruption caused by the unavailability of key players.

While this no doubt impacted results, it gave a number of young players the opportunity to step up and created a level of resilience within the playing group that bodes well for the future.

I congratulate Seb Ross on winning his second Trevor Barker Award. Seb had a fine year and also stepped up strongly as captain for much of the season.

Despite his absence on the field, Jarryn Geary, also carried a significant weight this year given the unprecedented number of setbacks out of his control.

The growth in our playing list has been bolstered by the recruitment of five talented players in the AFL Trade Period.

The addition of these individuals provides coach Brett Ratten with a great depth of talent from which to build a strong team that can compete with anyone over the coming years.

Brett's appointment as senior coach signals a new era at RSEA Park. He is an experienced coach who has already built strong relationships with the players, coaches and people more broadly at the club.

He brings great passion and energy and strives to create a welcoming club culture, but he is also someone who will drive high standards and accountability across the playing group.

Our football department has been further strengthened in recent months with the appointment of leading football strategist and coaching guru David Rath, former Hawthorn champion Jarryd Roughead, as well as increasing our resources in mental health and wellbeing support.

With any changing of the guard in the playing and coaching ranks, there are also inevitably farewells.

In 2019, we parted ways with a great servant in Alan Richardson, who created a strong base from which we can build.

Alan is a man of integrity, and we thank him for his commitment and the values he has instilled in so many of our young players.

I also want to pay tribute to several key players who won't be with us in 2020.

Jack Steven's battle with health and wellbeing issues has been well-documented, and it was pleasing that we were able to facilitate a trade that can hopefully provide an opportunity for him to thrive closer to family and friends.

Jack won four Trevor Barker Awards in his time at the Saints, the second most in history behind Nick Riewoldt, and will long be remembered as one of our modern greats.

David Armitage was another who contributed so much to the Saints in his terrific 13-year career at St Kilda. Dave was a player who gave everything in every match and was widely respected across the competition.

Jack Newnes and Josh Bruce, who found new homes during the trade and free agency period, were also strong contributors to our club.

Young key forward Paddy McCartin will miss the 2020 season as he focusses on his recovery from concussion. Paddy will remain closely linked with the club as he looks to overcome the obstacles that have put his career on hold.

The nature of the industry is such that many people move on every year including players, football and non-football staff.

Thank you to all those leaving us this year for your contribution to the Saints.



PRESIDENT'S REPORT CONTINUED

Supporting greater investment in football

Off the field, there are grounds for further optimism, as brick by brick CEO Matt Finnis and the team build an organisation to support our climb up the AFL ladder.

After a significant increase in 2018, the club was able to again lift our non-player football spend by \$494,605, bringing us closer to the spend of our competitors. This is essential if we are to get to where we want to be on the field.

Our net profit for the year ending 31 October 2019 is \$2,462,880 which includes grants income of \$4,997,789.

The club was on track to record an operating profit of \$383,208 before choosing to bring forward some player payments following consultation with the AFL in relation to our significant injury payments in 2019.

While this improves the club's Total Player Payments position in 2020, it subsequently results in a loss of \$323,975 before interest, tax and depreciation (EBITDA) in 2019.

Key to our overall financial result was an increase in commercial revenue, with the club well-placed to generate further uplift, with all major sponsorship categories already filled for the year ahead.

In recent months, we have welcomed a new co-principal partner in Deliveroo, joining Pepper Money.

Playing our first game in China also led to the club increasing our commercial revenue, with an increased ability to attract new partners.

We acknowledge that our on-field performance in Shanghai was unacceptable and must improve, but we also take great satisfaction from the new partnerships the club was able to enter into.

The decision to pass on the right to a home game was not made lightly, and with a little less bad luck in the preparation and greater application on the field, the Shanghai fixture will strengthen the football club significantly.

RSEA Park takes centre stage

RSEA Park will be the backdrop for history when our AFLW side takes the field for the first time in 2020.

It has been incredibly exciting to see our women's team take shape under Peta Searle, and we are counting down the days until our inaugural match at RSEA Park on 9 February.

The building blocks for entry to the competition were cemented this year in the VFL Women's competition, where the Southern Saints were unlucky to lose a tight preliminary final against Collingwood.

I congratulate Tilly Lucas-Rodd for claiming the Saints' best-and-fairest, as well as young gun Olivia Vesely, who took home the VFLW Rising Star award.

Creating a women's team has been years in the making and adds so much to the football club.

Through the support of the Victorian Government, in 2019 we built a women's changing room and administration space equal to that of our men's team, and we look forward to further additions when Stage 2 is completed next year.

I love the thought that any boy or girl can now grow up dreaming of wearing the red, white and black, and I encourage all of our supporters to get behind our 30 new Saints.

Our men's team will also return to the hallowed turf at Moorabbin, with the Saints hosting the first match of the newly named Marsh Community Series.

To see RSEA Park becoming the centrepiece of the club is truly rewarding for the countless people who contributed to the Saints returning to our spiritual home.

Together we rise

The success of the football club relies on so many different groups who each play a crucial role.

I firstly want to acknowledge my fellow Directors for their support and commitment to driving the club towards our goals.

Likewise, I thank Matt Finnis, his executive team, our tireless staff and our volunteers, for all they do for the football club.

We demand a lot from our people and are so much stronger because of the purpose we share.

I want to thank our Foundation members for their help in getting us back to RSEA Park, Moorabbin. Your generosity has given us a base from which we can credibly seek success.

I also want to acknowledge our Past Players Committee, of which Danny was a staunch member. Your support of our former Saints is always so important, but this year more so than ever before.

We rely on the support of many stakeholders, and I would like to thank the Victorian Government and the Kingston City Council, along with the Southern Football Netball League, the South Metro Junior Football League and the Sandringham Dragons, who share our headquarters at RSEA Park.

And finally, I would like to offer my gratitude to our thousands of loyal members.

From our coterie groups, to the Cheer Squad and every single Saints fan from around Australia and the world, I want to acknowledge your passion and loyalty.

I assure you that every single person at the club is striving to deliver the success you all deserve.

Andrew Bassat
President



CHIEF EXECUTIVE OFFICERS REPORT

When we pause to reflect on 2019, it's difficult to believe the number of significant events that impacted the club – both on and off the field.

As outlined by President Andrew Bassat, the passing of club champion Danny Frawley put the highs and lows of the season in perspective.

It was devastating to lose a person of Danny's calibre and stature at the club. As we have done since his passing, we will continue to forge a path forward.

This report is designed to outline our performance for the year ending 31 October 2019.

Despite a disappointing 2018 season, the club maintained ambitious targets for growth and, pleasingly, we have been able to deliver on several key objectives.

An uplift in commercial revenue, increase match return revenue, greater investment in our football program, and the completion of a new women's football wing at RSEA Park were highlights from an off-field perspective.

These achievements have offset a drop in membership revenue – a consequence of a lower membership tally that fell as a result of the poor 2018 season.

To take a significant step forward as a club and truly cement a position of strength, we understand the need to deliver for our supporters, to build a groundswell of support through football they can be proud of.

The emergence of a number of young stars and the signing of five key recruits during the Trade Period provides a platform to ultimately achieve the success our members deserve.

This coupled with our historic first AFL women's team taking the field in 2020, and further redevelopment of our headquarters at RSEA Park, has created genuine momentum in the latter stages of 2019.

To those supporters who have already signed up as we attempt to surpass the 50,000 mark, thank you for your belief, passion and loyalty.

Stronger together

One of the club's major objectives in 2019 was to grow our commercial revenue and stable of partners.

Signing Deliveroo as co-principal partner was a significant step in achieving this goal, with the food delivery giant joining Pepper Money in this key category.

Deliveroo will not only sponsor our men's team, but our new women's team alongside existing AFLW co-major partner Reflex.

Importantly, long-term partner Dare Ice Coffee has remained with the club, sponsoring both our men's and women's coaches for the next three years.

AVJennings has also expanded their partnership to incorporate the women's team, while we have welcomed CMC and McDonalds to other important categories.

RSEA Safety continues to be a valuable ally as naming rights partner at Moorabbin, while we are excited to partner with Holmesglen to deliver a unique tertiary education course for the first time next year, among other initiatives.

The club has also teamed up with ISC to once again deliver our on-field apparel and membership merchandise.

In order to increase the investment in the club's football program and match our competitors in resources and expertise, we sought out the opportunity to pass on the right to a home game and take on Port Adelaide in China.

As Andrew Bassat highlighted in the President's report, this opportunity allowed the club to not only benefit from this financially but also welcome new partners which otherwise would not have been possible, including Woodside, Monash University, Swisse Wellness, Jinhang and Zhaopin.

Playing in China has already opened the door to conversations with many prospective partners, who we are confident can deliver great value to the club over the coming years.

And we also hope the game will help us to develop relationships with the substantial Chinese community in the south-east of the state.

Our club's strategy is very clear in that a second premiership is the club's absolute focus.

We believe playing in China can contribute to our ability to deliver that for the many thousands of supporters who are starved of success.

A destination that delivers

The decision to return to RSEA Park, Moorabbin, continues to be vindicated by the number of players selecting St Kilda as their preferred destination, and the opportunities being created through Stage 2 of the redevelopment.

Our headquarters at RSEA Park are now on par or superior to those of every sporting club in the country, and along with a restructured football program, is giving players looking to change clubs an added reason to choose St Kilda.

The recruitment of Bradley Hill, Dougal Howard, Zak Jones, Paddy Ryder and Dan Butler will provide Brett Ratten and his coaching team with experienced talent to support several young stars who are beginning to stamp themselves on the competition.

When Stage 2 is complete, the value of the facility will reach upwards of \$45m, but more importantly, provide the platform for our men's and women's teams to achieve success.

We are now only weeks away from our history-making first AFLW Match, which will see thousands of supporters gather at RSEA Park to welcome the Saints back to Moorabbin.

With the support of Victorian Government Funding, the club's new women's changerooms and administration facilities were completed midway through 2019 to coincide with recruitment of 30 new Saints by Peta Searle and Jamie Cox.



CHIEF EXECUTIVE OFFICERS REPORT CONTINUED

The vast majority of our inaugural AFLW playing squad were members of our VFL women's team this season, and we have already witnessed the positive impact they have had on the entire club.

With a significant number of players from Melbourne's south, the Saints' AFLW side will help the club deepen our relationship with the local community, as well sending a clear message to every young Saint, that they can dream of wearing the red, white and black one day.

We expect a festival-like atmosphere at four AFLW games starting on Sunday, February 9, and again at a very special Marsh Community Series fixture on Thursday, February 20.

With continued investment the club's contribution towards the development of RSEA Park, our bank debt remained at \$6.25m, the same level as in 2018.

Investing in the community

The Football Club is incredibly proud of the work we do in the community with a focus on promoting happy and healthy youths and ensuring our game is one for everyone.

Our players and staff visited 140 schools and 85 clubs and Auskick centres this year, while also expanding our Next Generation Academy (NGA).

The NGA, which aims to promote football as the sport of choice for talented young athletes and encourage participation from indigenous and multicultural youths, has gone from strength to strength.

A total of 750 boys and girls participated in the Saints' northern (SMJFL) and Southern (FDJFL) NGAs, including 23 Kids in the Elite NGA Squad who will be draft eligible over the next few years.

In addition, 15 indigenous junior players were recipients of NGA scholarships through the Saints AMC Indigenous scholarship program, while 10 multicultural junior players were also recipients through the Saints' Moorabbin Airport scholarship program.

The club's flagship community programs also grew in 2019.

With support from the Victorian Responsible Gambling Foundation and The Phillips Foundation, St Kilda's Play to Your Strengths positive education program was delivered at 30 schools in 104 sessions and to more than 2,900 students.

The Club's SaintsPlay Program, aimed at introducing Australian football to kids of all abilities, was nominated as a finalist in the Promoting Health through physical activity and sport category in the 2019 VicHealth Awards.

Thirty-nine kids participated in the second season of our SaintsPlay Centres at Moorabbin and Seaford, while more than 180 students participated in the four-week SaintsPlay School program.

In addition to a huge number of other initiatives, including the Pride Game, Maddie's Match, the club fielded a Wheelchair Team for the second year, and a Blind Team in the inaugural Victorian Blind Football League.

Another initiative the Saints were proud to introduce this year was the Chill Out Zone at Marvel Stadium.

The Saints are proud to be the first AFL club to offer a sensory space at all home games to create a safe space where people with sensory processing disorders can come in, relax, continue watching the game and then go back to their seats when they are ready to do so.

Strong alignment with Sandringham

St Kilda's heavy injury toll in 2019 flowed through to Sandringham who often fielded an inexperienced team throughout the season.

While this no doubt impacted results, the club's partnership remains very strong.

It was fantastic to see Sandringham play two curtain-raiser matches at Marvel Stadium prior to the Saints' AFL fixture, and also take the field at Moorabbin in a special double-header with our VFLW side.

Under coach Aaron Hamill, Sandringham also provided an opportunity for several key young Saints to develop their trade. Nick Coffield, Hunter Clark, Nick Hind, and Ben Paton were just some to spend time in the Zebras line-up before making a big impact in the senior side in the second half of the season.

We thank Nick Johnstone, his board of directors and CEO David Cannizzo for their ongoing support of the alignment.

Building a strong and robust business

The St Kilda Football Club in 2019 posted an operating loss before grant-funding revenue, depreciation, amortisation and interest of \$323,975 (2018: \$202,671 profit) and an overall accounting net profit of \$2,462,880 (2018: \$10,124,972).

As detailed by Andrew Bassat, the small operating loss must be considered in line with the decision to bring forward contracted player payments for the 2020 season into this financial year.

St Kilda's overall accounting net profit includes Moorabbin Reserve grant-funding revenue of \$4,997,789 (2018: \$13,149,766), depreciation and amortisation expenses of \$1,918,719.

Notable elements of the 2019 financial result include:

- **Balance sheet:** The net assets of the club increased to \$17,220,691 compared to \$14,757,811 in 2018.
- **Sponsorship and events:** St Kilda's sponsorship-related profit rose by \$744,827 with the addition of several key sponsors outlined above, and the opportunity presented by playing in Shanghai.
- **Membership and merchandise:** With membership numbers falling to 43,102, club profits relating to membership decreased by \$281,993 on the previous year. Merchandise performed well on the back of the new Saints Locker store at RSEA Park and with strong support at match day, sales rose by \$129,484 on 2018.



CHIEF EXECUTIVE OFFICER'S REPORT CONTINUED

- **Match attendance:** Total attendance recorded for the 2019 season was 266,640 (2018: 280,458) with an average attendance over our 10 Marvel stadium home games of 26,664 (2018: 25,499). The total match return, including China, boosted total net match return profit to \$1,942,767 (2018: \$1,691,324).
- **Social Club:** The Moorabbin Social venue generated a profit of \$618,685 for the year compared to \$1,337,055 last year. The 2018 result includes a sign on contribution and resultant sale of assets to Tabcorp Gaming Services.
- **AFL funding:** The Club's annual variable distribution remained the same as in 2018. However, given the increase in player payments provided to all AFL Clubs in accordance with the CBA the standard distribution rose by \$196,522. Signage revenue included in the Marvel Stadium tenancy agreements, decreased by \$100,000 due to one less home game played at the venue in 2019. The Club also reduced its AFL trade payable balance in line with our AFL debt reduction plan.
- **Football expenditure:** The club increased non player football department expenditure by \$494,605 as per our commitment to continue to invest in this area. This includes spending on our VFLW program.
- **Administration and facility management:** Costs have decreased by \$614,127. This is largely due to writing down the Seaford facility in the prior year. Excluding depreciation, the cost of administration and facilities have increased by \$279,312 due to running both Moorabbin and Seaford facilities for the entire year.

There are so many people, groups and organisations that pay a role in the success of the St Kilda Football Club.

I would like to acknowledge the talented and hardworking St Kilda executive team and staff, along with the players, coaches, and volunteers for their contribution in 2019.

The way our people came together in the aftermath of Danny's death was a testament of how much they care for the club and our supporters.

Our coteries, sponsors, supporter groups and community partners have all played a big part in the past year and continue to be key pillars in the Saints' quest for success.

I also want to thank the Board of Directors and their respective partners, for their direction, advice and commitment.

Last but not least, I want to thank the 43,102 members who stood stubbornly with us this season, through the ups and downs, and whose support is unwavering.

You are the reason it all matters.

Matt Finnis
Chief Executive Officer





2019 HONOURS AND AWARDS

Trevor Barker Award:	Sebastian Ross
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Runner-up:	Rowan Marshall
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Third-place:	Jack Steele
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Leading goalkicker:	Tim Membrey (44 goals)
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Best emerging player:	Rowan Marshall
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Robert Harvey Best Clubman:	Jarryn Geary
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Lenny Hayes Player Trademark Award:	Rowan Marshall
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Milestones:	150- Jack Newnes 150 - Shane Savage 100 - Jack Billings 100 - Josh Bruce 100 - Luke Dunstan 100 - Sam Rowe
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Debutants:	Matthew Parker (Round 1) Callum Wilkie (Round 1) Robbie Young (Round 9) Nicholas Hind (Round 13) Doulton Langlands (Round 18)
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NAB Rising Star Nominations:	Josh Battle (Round 22)
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Past Players and Officials who have passed away in 2019:

Ivy Moyle - Life Member - January 2019 aged 97
Lance Oswald - Team of the Century & Life Member, played 107 games - March 2019 aged 81
Garry Sidebottom - Former, played 54 games - March 2019 aged 64
Rodney Galt - Past Player, played 77 games - April 2019 aged 67
Les Gardner - Past Player, played 3 games - May 2019 aged 85
Ian Scott - Former Club Director
Ian Drohan - Past Player, played 3 games - July 2019 aged 86
Bill Cobb - Life Member - October 2019 aged 64
Danny Frawley - Life Member, Former Captain and Assistant Coach played 240 games - September 2019 aged 56



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 2019.

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:

Andrew Bassat	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 and Hamilton and prior to that, he worked as a solicitor at Corrs Chamber Westgarth.
Other responsibilities	Chairman of Meetings, Member of the Integrity Committee and Remuneration Committee
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
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>
Other responsibilities	Member of the Integrity Committee
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.
Other responsibilities	Chairman of the Audit, Risk and Compliance Committee and Member of the Remuneration Committee



DIRECTORS' REPORT (CONTINUED)

Danni Roche OAM Director

Qualifications Master of Business Administration

Experience A lifetime St Kilda supporter, Danni Roche is an Olympic Gold medallist and was a member of the Australian women's hockey team that secured gold at the 1996 Atlanta Olympics. In that same year Danni was also awarded an Order of Australia in recognition of her services to Sport.

With over ten years of experience working in the financial sector, Danni has held finance and commercial positions with Telstra and has also been a Director at UBS, a Partner at Evans and Partners and a Director of a privately owned fraud and risk management business.

Danni was a Director of Hockey Australia for seven years and is currently a Trustee of The State Sports Centre Trust of Victoria and a Commissioner of the Australian Sports Commission.

Liz Dawson, MNZM Director

Retired 4 March 2019

Qualifications Bachelor of Commerce, Trained Teachers' Certificate and New Zealand Ski Instructors' Alliance

Experience Liz has extensive corporate governance experience across a wide variety of sports, 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.

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

Other responsibilities Member of the Integrity Committee

Dean Anderson Director

Qualifications Bachelor of Economics and 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 28 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 12 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.

Other responsibilities Member of the Integrity Committee



DIRECTORS' REPORT (CONTINUED)

Adam Hilton	Director
Appointed	22 July 2019
Qualifications	Bachelor of Business Marketing
Experience	<p>Adam Hilton is the CEO and Partner of Stratosphere Advertising agency. Stratosphere is one of Australia's largest independent full service agencies, representing brands such as Chemist Warehouse, The Good Guys, RSEA Safety, among others.</p> <p>Previously, Adam was Managing Director and Founder of full service advertising agency Noisy Beast. After significant domestic and international growth, Noisy Beast was ranked in the top 10 fastest growing companies in Australia (AFR) in 2015/16. The company was acquired by Swisse Wellness in 2017.</p> <p>Prior to that Adam spent more than a decade at Network Ten in charge of the Network's Sport / AFL revenue requirements before transitioning into the role of National Commercial Director.</p> <p>Adam is a passionate Saints person, having spent most of his weekends at Moorabbin (RSEA park) as a kid. Adam went on to play reserves footy at Hawthorn before returning to the VAFA to captain Old Haileybury and represent the Big V.</p>

Jennifer Douglas	Director
Appointed	25 July 2019
Experience	<p>Jennifer is an experienced non-executive director with over twenty-five years in the technology and media industries. After starting her career as a lawyer (at Allens and Mallesons), Jennifer went on to hold key executive leadership roles at Sensis and Telstra. Her roles at Telstra included PandL responsibility for its \$3 billion fixed voice business, establishment of Telstra's technology support business Platinum, responsibility for its internal consulting and change team and most recently as Telstra's Executive Director of Customer Experience.</p> <p>Jennifer is currently a Director of Hansen Technologies (ASX:HSN), Essential Energy, Opticomm and Peter MacCallum Cancer Foundation, and a past Director of Telstra SNP Monitoring, Pacific Access Superannuation Fund, bayside charity Family Life and Kilvington Grammar.</p> <p>Jennifer brings to the Board expertise in driving customer-centred thinking and growth and an understanding of technology supported by her background in legal and regulatory. She is a passionate Saints supporter.</p>

Peter Summers	Director
Retired	18 December 2018
Qualifications	Bachelor of Economics and Member of Chartered Accountants Australia and New Zealand
Experience	<p>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.</p>
Other Responsibilities	Chairman of Meetings, Member of the Audit, Risk and Compliance Committee and Remuneration Committee

Andrew Thompson	Director
Retired	18 December 2018
Qualifications	Diploma of Financial Planning
Experience	<p>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.</p>



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
Andrew Bassat	8	8
Russell Caplan	8	8
Matt Finnis	8	7
Paul Kirk	8	8
Danni Roche	8	7
Liz Dawson	2	0
Dean Anderson	8	8
Jack Rush	8	7
Adam Hilton	7	7
Jennifer Douglas	6	5
Peter Summers	1	1
Andrew Thompson	1	0

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 and 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 community 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, health 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 75,000 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 \$2,462,880 (2018: \$10,124,972). Included within the net profit is Moorabbin Reserve grant funding revenue of \$4,997,789 (2018: \$13,149,766).

Excluding the grant funding revenue, depreciation and amortisation expenses the Club produced an operating loss before interest of \$323,975 which is down on the 2018 profit result of \$202,671. The reduction largely relates to greater investment in the football department (both men's and women's) and increased utilities and maintenance costs associated with running our two facilities at RSEA Park Moorabbin and Linen House Centre Seaford.

Profit from the commercial areas of the business which include sponsorship, fundraising, hospitality and events, grew by \$656,144 however the consumer business was down \$152,509 due to poor retention rates of our 2018 members. Gaming profit also decreased by \$718,369 which was due to the one-off sale of gaming assets and sign on contribution totalling \$724,353 recorded in 2018. Notwithstanding these revenue decreases, the club continued to invest in the Football Department with expenditure in both the men's and women's soft cap rising by \$494,605 but offset by a decrease in player costs, down by \$379,627.

After Balance Date Events

Information regarding after balance date events is provided in Note 22 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.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 October 2019 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.

Andrew Bassat
President

Paul Kirk
Director

Melbourne
Dated on this 27th November 2019

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 43,102 members (2018: 46,998).

Auditor's Independence Declaration

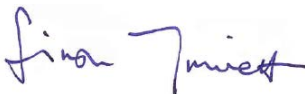
To the Directors of St Kilda Football Club Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of St Kilda Football Club Limited for the year ended 31 October 2019, 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, 27 November 2019



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	Consolidated	
		2019 \$	2018 \$
Operating revenues	2	41,683,417	40,714,452
Non-operating revenues	2a	4,997,789	13,149,766
Total revenue		46,681,206	53,864,218
Administration and facilities management		7,308,177	7,922,304
China		111,945	-
Community		1,427,136	1,111,598
Football		25,774,967	25,659,989
Fundraising		58,292	62,394
Ground and maintenance		244,690	188,605
Match day		150,296	164,313
Membership and reserved seats		2,888,806	2,897,570
Merchandise		657,826	574,205
Social club		1,854,197	1,624,977
Sponsorship and events		3,449,778	3,243,303
Total expenses other than finance costs		43,926,110	43,449,258
Profit before related income tax expense and finance costs		2,755,096	10,414,960
Finance costs	3	292,216	289,988
Profit before related income tax expense		2,462,880	10,124,972
Income tax expense	4	-	-
Profit after related income tax expense		2,462,880	10,124,972
Other comprehensive income from the year, net of tax		-	-

The accompanying notes form part of these financial statements.



Total comprehensive income for the year

2,462,880 10,124,972

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	Consolidated	
		2019	2018
		\$	\$
Current assets			
Cash and cash equivalents	6	723,273	1,416,395
Trade and other receivables	7	1,030,911	1,717,076
Inventories	8	197,715	160,248
Other assets	12	508,987	130,132
Total current assets		2,460,886	3,423,851
Non-current assets			
Property, plant and equipment	10	33,995,830	31,262,272
Intangibles	11	400,595	500,700
Total non-current assets		34,396,425	31,762,972
Total assets		36,857,311	35,186,823
Current liabilities			
Trade and other payables	13	6,587,901	7,725,140
Other current liabilities	14	2,194,336	1,710,970
Other short-term loans	15	2,857,570	2,857,570
Short-term borrowings	16	198,540	378,470
Employee benefits	17	1,074,802	1,039,007
Total current liabilities		12,913,149	13,711,157
Non-current liabilities			
Long-term borrowings	16	6,511,812	6,450,003
Employee benefits	17	211,659	267,852
Total non-current liabilities		6,723,471	6,717,855
Total liabilities		19,636,620	20,429,012
Net assets		17,220,691	14,757,811
Members' equity			
Contributed equity	18	5	5
Accumulated earnings		17,220,686	14,757,806
Total members' equity		17,220,691	14,757,811

The accompanying notes form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2019

Consolidated Group	Accumulated losses \$	Contributed equity \$	Total \$
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
Total comprehensive income attributable to members of Group	2,462,880	-	2,462,880
Balance at 31 October 2019	17,220,686	5	17,220,691



The accompanying notes form part of these financial statements.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	Consolidated	
		2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from customers, members, sponsors and Australian Football League		46,209,819	44,329,506
Moorabbin redevelopment funds		4,997,789	13,145,500
Payments to suppliers and employees		(46,942,120)	(44,650,405)
Interest received		2,526	6,282
Finance costs		(292,216)	(289,988)
Net cash flows provided by operating activities	20(a)	3,975,798	12,540,895
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,526,824)	(19,292,058)
Proceeds from sales of assets		1,375	-
Purchase of intangible assets		(25,349)	(25,349)
Net cash flows used in investing activities		(4,550,798)	(19,317,407)
Cash flows from financing activities			
Repayment of borrowings		(800,000)	(7,700,000)
Proceeds from borrowings		800,000	10,700,000
Repayment of finance leases		(427,029)	(230,001)
Proceeds from finance leases		308,907	613,810
Net cash flows provided by/ (used) in financing activities		(118,122)	3,383,809
Net increase in cash and cash equivalents held		(693,122)	(3,392,703)
Add cash and cash equivalents at the beginning of the financial year		1,416,395	4,809,098
Cash and cash equivalents at the end of the financial year	6, 20(c)	723,273	1,416,395



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2019

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 27th November 2019.

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 \$2,462,880 for the year ended 31st October 2019 (2018: \$10,124,972). At year end the Group has net assets of \$17,220,691 (2018: \$14,757,811) and a net current asset deficiency of \$10,452,263 (2018: \$10,287,306). This result includes Moorabbin Reserve grant funding revenue. Post balance date the Group extended its loan facilities with the Australian Football League (AFL) to the 7th November 2020. 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 2020 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. The receipt of the committed funds from the State Government of Victoria Department of Health and Human Services.
3. 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 2019

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 9 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 2019

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

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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1. Statement of significant accounting policies (continued)

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

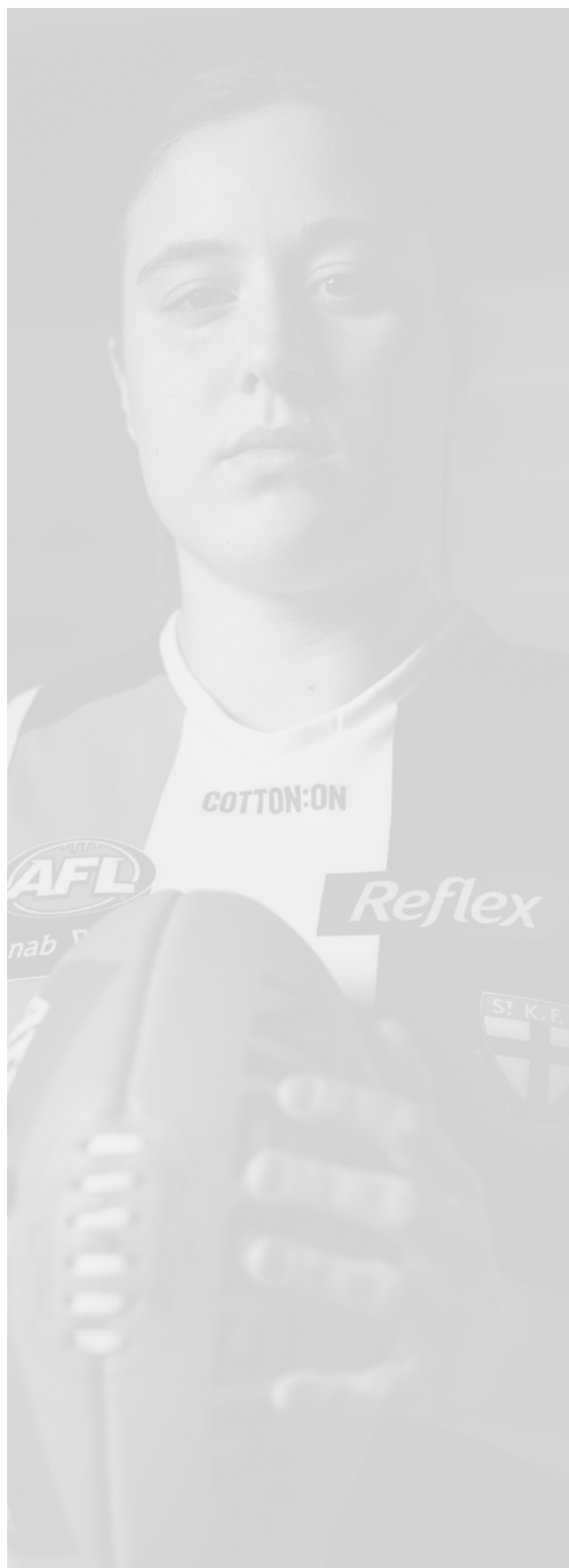
Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave which will be settled after one 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. In December 2002 the AFL Clubs and the players entered into a Federally Certified Long Service Leave Agreement. This agreement removed the State Long Service Leave entitlements of the players. Instead, the players receive additional annual leave after a set number of years of service and consequently clubs will not be required to accrue for long service leave liabilities for its current players.

(iii) Superannuation

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





NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1. Statement of significant accounting policies (continued)

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 is 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.

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.

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 2019

	Consolidated	
	2019	2018
	\$	\$
2. Revenue		
<i>Revenue from operating activities</i>		
AFL standard distributions	11,003,144	10,806,622
AFL variable distributions (future funding)	8,331,443	8,331,443
AFL signage	1,275,000	1,375,000
AFL other income	26,250	26,250
Community	609,576	365,374
Finance and administration	163,900	79,038
Fundraising	205,843	298,628
Gain on sale of plant and equipment	-	384,353
Match returns	1,942,767	1,691,324
Membership and reserved seats	7,234,051	7,524,807
Merchandise	726,807	513,703
Social club	2,472,883	2,577,679
Sponsorship and events	7,689,519	6,738,219
	41,681,183	40,712,440
<i>Revenue from other activities</i>		
Interest - financial institutions	2,234	2,012
Total revenue from operating and other activities	41,683,417	40,714,452
2a. Non-operating revenue		
Moorabbin redevelopment funds - government grants and contributions	4,997,789	13,149,766
Total revenue	46,681,206	53,864,218



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

	Consolidated	
	2019	2018
	\$	\$
3. Expenses		
<i>Finance costs:</i>		
Financial Institutions	119,101	180,978
Other	173,115	109,010
<i>Total Finance costs</i>	292,216	289,988
<i>Depreciation of:</i>		
Leasehold improvements – RSEA Park	1,413,753	583,825
Leasehold improvements – Linen House Centre	-	1,763,861
Property, plant and equipment	379,513	464,337
<i>Total depreciation of property, plant and equipment</i>	1,793,266	2,812,023
<i>Amortisation of:</i>		
Licenses – gaming entitlements	125,455	125,454
<i>Net expense including movements in:</i>		
Provision for impairment of receivables	88,003	(39,638)
<i>Net expense for movements in provision for:</i>		
Employee entitlements	(20,399)	189,449
<i>Rental expense on Operating leases:</i>		
Minimum lease payments	106,925	101,932
<i>Employee Benefit Expenses</i>		
Salary, wages, termination expense and other benefits	27,923,645	27,251,712
Defined contribution superannuation expense	1,653,106	1,615,426
<i>Total employee benefit expense</i>	29,576,751	28,867,138



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

	Consolidated	
	2019	2018
	\$	\$
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%	(738,864)	(3,037,492)
Add:		
Tax effect of:		
- Unrecognised tax losses and temporary differences	(71)	(1,800)
- losses exempt from income tax	738,935	3,039,292
Income tax attributable to the entity	<u>-</u>	<u>-</u>
5. 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	48,500	47,500
- AFL specific compliance	20,500	19,500
- other services	2,500	2,250
	<u>71,500</u>	<u>69,250</u>
6. Cash and Cash Equivalents		
Cash at bank	610,972	1,309,662
Cash on hand	112,301	106,733
	<u>723,273</u>	<u>1,416,395</u>

Included in the cash at bank balance are unspent funds held for the Moorabbin Reserve redevelopment totalling \$458,578 (2018: \$962,139).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

	Consolidated	
	2019	2018
	\$	\$
7. Trade and Other Receivables		
Current		
Trade receivables	774,247	1,378,658
Provision for impairment of receivables	(148,020)	(60,017)
	626,227	1,318,641
Other receivables	404,684	398,435
	1,030,911	1,717,076

(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 01/11/2017	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
	Opening Balance 01/11/2018	Charge for The year	Amount Written Off	Closing Balance 31/10/2019
Consolidated Group				
(i) Current Trade Receivables	60,017	112,464	(24,461)	148,020

	Consolidated	
	2019	2018
	\$	\$
8. Inventories		
Merchandise stock	188,553	149,262
Food and liquor	18,093	15,521
Provision for stock obsolescence	(8,931)	(4,535)
	197,715	160,248

9. Controlled Entities

	<i>Country of incorporation</i>	<i>Controlling Interest</i>	
		<i>2019</i>	<i>2018</i>
St Kilda Football Club Ltd	Australia	100%	100%



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

	Consolidated	
	2019	2018
	\$	\$
10. Property, Plant and Equipment		
Leasehold Improvements		
At cost	42,848,581	32,266,323
Accumulated amortisation	(13,525,399)	(12,111,645)
	29,323,182	20,154,678
Plant and Equipment		
At cost	4,357,990	4,307,616
Accumulated depreciation	(3,343,884)	(3,164,413)
	1,014,106	1,143,203
Capital Works in Progress		
At cost	3,658,542	9,964,391
Total Property, Plant and Equipment		
At cost	50,865,113	46,538,330
Accumulated depreciation / amortisation	(16,869,283)	(15,276,058)
	33,995,830	31,262,272

(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	1,143,203	20,154,678	9,964,391	31,262,272
Additions	250,416	-	4,276,408	4,526,824
Disposals	-	-	-	-
Transfers	-	10,582,257	(10,582,257)	-
Depreciation expense	(379,513)	(1,413,753)	-	(1,793,266)
Carrying amount at the end of year	1,014,106	29,323,182	3,658,542	33,995,830

	2019	2018
	\$	\$
11. Intangible Assets		
Gaming Licences		
At cost	1,305,239	1,279,890
Accumulated Amortisation	(904,644)	(779,190)
Total Intangible Assets	400,595	500,700

(a) Movement in Carrying Amounts

	Gaming Licences Total
	\$
Balance at the beginning of year	500,700
Additions	25,350
Disposal	-
Amortisation charge	(125,455)
Carrying value at the end of year	400,595



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

	Consolidated	
	2019	2018
	\$	\$
12. Other Assets		
Current		
Prepayments	508,987	130,132
All amounts are short term and the carrying values are considered to be a reasonable approximation of their value.		
13. Trade and Other Payables		
Current		
Unsecured Liabilities		
Trade payables	4,014,556	6,023,635
Sundry payables and accrued expenses	2,573,345	1,701,505
	6,587,901	7,725,140
Current unsecured liabilities includes a \$3,032,896 (2018: \$3,068,499) trade payable due to the Australian Football League.		
14. Other Current Liabilities		
Income in advance	2,194,336	1,710,970
15. 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 2019. Post balance date, the unsecured loan has been extended and now expires on the 7th November 2020.		
16. Financial Liabilities		
Current		
Secured Liabilities		
Commercial Bill	-	-
Finance leases	198,540	378,470
	198,540	378,470
Non-current		
Secured Liabilities		
Commercial Bill	6,250,000	6,250,000
Finance leases	261,812	200,003
	6,511,812	6,450,003
Commercial Bill facilities		
Total facilities available	6,750,000	6,750,000
Facilities utilised at balance date	(6,250,000)	(6,250,000)
Facilities not utilised at balance date	500,000	500,000



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

The facility is summarised as follows:

The Commercial Bill facility expires on 31st December 2021 and is classified as a non current liability. The Group has one Commercial Bill outstanding at 31st October 2019. The 7 day Commercial Bill for \$6,250,000 will mature on 7th November 2019 at an interest rate of 2.4%.

Security

Guarantee limited to \$6,750,000 has been given by the Australian Football League ACN 004 155 211 to expire on 31st January 2022. The fair value of current borrowings approximates their carrying amount as the impact of discounting is not significant.

	Consolidated	
	2019	2018
	\$	\$
17. Employee Benefits		
Current		
Annual Leave	560,881	596,150
Long Service Leave	513,921	442,857
	1,074,802	1,039,007
Non-current		
Long Service Leave	211,659	267,852
(a) Aggregate Employee Entitlements	1,286,461	1,306,859
(b) Number of Employees		
Number of full time employees at year end	97	88

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

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

18. Issued Capital

5 fully paid ordinary shares	5	5
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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 43,102 members (2018: 46,992).

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 2019

Consolidated
2019 2018
\$ \$

19. Capital and Leasing Commitments

(a) Operating lease payable commitments:

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

not later than one year	104,216	103,368
later than one year and not later than five years	303,975	315,411
later than five years	1,038,195	1,106,274
	1,446,386	1,525,053

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	14,325,000	12,201,500
later than one year and not later than five years	21,720,000	14,095,000
later than five years	-	-
	36,045,000	26,296,500

(c) Finance Lease Commitments

The Group has a number of plant and equipment under finance lease with a current carrying value of \$473,907.

not later than one year	198,540	378,470
later than one year and not later than five years	261,812	200,003
later than five years	-	-
	460,352	578,473

(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	9,018,140	735,913
later than one year and not later than five years	3,006,047	-
later than five years	-	-
	12,024,187	735,913



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

	Consolidated	
	2019	2018
	\$	\$
19. 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	664,824
later than one year and not later than five years	1,994,472	2,659,295
later than five years	-	-
	2,659,296	3,324,119
20. Cash Flow information		
(a) Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	2,462,880	10,124,972
Non cash flows in profit from ordinary activities		
- Gain on sale of plant and equipment	(1,375)	(384,353)
- Depreciation and Amortisation of non-current assets	1,918,721	2,937,477
Changes in assets and liabilities		
- (Increase) / decrease in trade and other receivables	566,166	111,672
- (Increase) / decrease in inventory	(37,466)	(20,561)
- (Increase) / decrease in other assets	(378,856)	214,662
- Increase / (decrease) in employee benefits	(20,399)	189,449
- Increase / (decrease) in other current liabilities	483,366	30,388
- Increase / (decrease) in trade and other payables	(1,137,239)	(662,811)
Cash flow from operations	3,975,798	12,540,895
(b) Non-cash investing and financing activities		
Acquisition of plant and equipment by means of finance leases	308,907	613,810
(c) Reconciliation of cash and cash equivalents		
Cash balance comprises:		
- cash at bank	610,972	1,309,662
- cash on hand	112,301	106,733
Closing cash and cash equivalents balance	723,273	1,416,395



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

21. Parent entity information

Information relating to St Kilda Saints Football Club Limited (Parent)

Statement of financial position

Current assets	2,558,112	3,421,090
Total assets	36,971,312	35,184,062
Current liabilities	12,907,149	13,708,157
Total liabilities	19,630,621	20,426,012
Net assets	17,220,692	14,758,050
Retained earnings	17,220,692	14,758,050
Total equity	17,220,692	14,758,050

Statement of profit or loss and other comprehensive income

Profit for the year	2,462,643	10,125,211
Other comprehensive income	-	-
Total comprehensive income	2,462,643	10,125,211

The Parent Entity has capital commitments of \$12,024,187 to purchase plant and equipment (2018: \$735,913).

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

22. 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 2020. 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 \$10,452,263. Had the new agreements been in place at balance date, the net current asset deficiency would have been \$7,594,693.

23. Contingent Liabilities

There are no contingent liabilities that have been incurred by the Group in relation to 2019.

24. Economic Dependency

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

25. Company Details

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

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



DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 14 to 32, 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 2019 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.

Andrew Bassat
President

Paul Kirk
Director

Melbourne
Dated on this 27th November 2019



Independent Auditor's Report

To the Members of St Kilda Saints Football Club Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of St Kilda Saints Football Club Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 October 2019, 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 2019 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 Company 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 2019, the Group's current liabilities exceeded its current assets by \$10,452,263. 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 Company's annual report for the year ended 31 October 2019, 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*. 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.

In preparing the financial report, the Directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

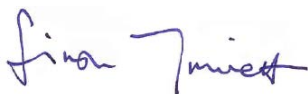
Auditor's responsibilities for the audit of the financial report

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, 27 November 2019



ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 OCTOBER 2019