

2003

Newcastle Knights 2003



THAT'S MY TEAM

NEWCASTLE KNIGHTS

a n n u a l r e p o r t

MAJOR SPONSOR

QANTASLINK



DUXTON HOTEL
NORTH SYDNEY



COAL & ALLIED

A Rio Tinto Group Company



THE HERALD



nib
Health cover
for everybody



UNITED GONINAN



NEWCASTLE KNIGHTS LIMITED

ABN 86 003 363 228

Directors

Michael Hill
Chairman

Michael Tyler
Deputy Chairman

Michael Nesbitt

Ron Robson

Allan McKeown

Kevin Parker

Vince Murphy

Trevor Crow

Kevin Smith

Chief Executive Officer & Company Secretary

Ken Conway

Registered Office

Knights Administration Office,
Energy Australia Stadium,
294 Turton Road
New Lambton NSW 2305

Auditors

Crosbie Warren Sinclair

Bankers

Australia and New Zealand Banking Group Limited

Solicitors

Turnbull Hill Lawyers
Bilbie Dan Solicitors & Attorneys

Management

Phillip Blackford
Financial Controller

Stephen Crowe
Media & Communications Manager

Mark Sargent
Football Manager

Warren Smiles
Coaching & Development Manager

Nathan Thurston
Sales & Sponsorship

Football

Michael Hagan
Head Coach

Mal Graham
Premier League Coach

Lee Clark
Performance Coordinator

Craig Miller
Football Coordinator & Player Welfare Officer

Life Members

Wal Bentley

Anthony Butterfield

Marc Glanville

Graham Hardes

Paul Harragon

Matthew Johns

Kevin Lynch

Leigh Maughan

Kevin Smith

Sam Stewart

David Turrell

Brian Warby

Chairman's Report

As I stated in our report for last year, the main task in front of the Board and the Administration is for us to make sure that we do the work between seasons to ensure that we remain in the top third of the League. Notwithstanding Penrith's fantastic effort in the Grand Final, the statistics still show how difficult it is to get back if ever you slip out of the top eight and it is a task which we must all keep in front of us.

Once again, we have seen the NSW Rugby League change the system under which our junior teams will operate in 2004. This time, though, because of the pressure brought to bear essentially by the development clubs, they have reverted to the traditional full seasons for the juniors. This, with the change in age groupings, should ensure a much better result for us in all grades right up to and including the Premier League.

However, the pressure on those clubs dependent on revenue from licensed clubs will almost certainly see further changes to the way the game is organized by the end of 2004.

Fortunately, from the point of view of the long term financial security of the club, work has commenced on the Northern and Southern hills and the start of a new grandstand on the eastern side of Energy Australia Stadium. Initial sales of season tickets for the new area are going well. Once an enclosed seated ground is available to us, we will have no concerns for the future at all. Our junior system and the co-operation we receive from the Newcastle Rugby League ensures a constant flow of talented footballers. It is upon these two bases that our future rests.

A general thanks to our staff and fans, a renewed welcome to Qantas and all our sponsors, and a wish for a prosperous and successful 2004 also seem appropriate right now.

Michael Hill
Chairman



Michael Hill



Chief Executive Officer's Report

It has been another very interesting year in the young history of the mighty Newcastle Knights.

Despite the fact that our team suffered an injury crisis for most of the year we made the finals for the seventh year in a row, the only team in the NRL to achieve that level of consistency. Our team also attracted the second highest home crowds in the NRL for 2003. The good news on the team front is most of our injured players will be available at the start of the 2004 season unlike 2003. The level of excitement in the club has risen recently as the boys are back in training and jumping out of their skins.

Off the field they have also been some notable achievements. While the cost of running the football team has continued to climb because of inflation, additional salary cap allowances for long serving players and additional sponsor service allowances our hard working sponsorship and marketing team have managed to keep the growth in income levels up with the growth in expenses. The fact that we are able to fund a team in Newcastle without having our own large registered club is a great tribute to the marketing team, our supporters and sponsors.

Although we failed to gain the financial boost of a home semi final and incurred significant cost in relocating our administration office, the Club produced a vastly improved financial result posting a trading profit of \$12,276 before capital write off of \$312,566 relating predominantly to the demolition of the scoreboard, corporate boxes and kitchen previously located on the Eastern hill to make way for the new grandstand. Net cash flow from operations also increased significantly to \$957,857.

You're Board and the administration staff has enjoyed a harmonious and productive working relationship during the year. In particular the Audit and Finance Committee has played a vital role in the clubs financial performance.

We have many excellent sponsors but it was particularly pleasing this year to welcome Western Suburbs Leagues Club, The Executive Inn, the Newcastle Perm, Telstra Country Wide and Coal and Allied as business partners. They are outstanding local businesses and their involvement has contributed significantly to our ability to remain in the competition and fund our extensive junior development program.

We are also very happy about the relocation of our administration centre to Energy Australia Stadium. The office and Kingdom Shop is more convenient for the members, players and club officials and has ample parking. We also hope to be able to develop the upstairs auditorium area for pre match functions in 2004.

Most excitement however revolves around the redevelopment of the Eastern Hill area of the ground. We have asked the NRL to delay our first home game for 2004 until mid April to ensure that the majority of the Eastern Concourse seats will be available for the first game. We have been assured that 5,500 of the 7,600 concourse seats will be ready for that date but there is an outside chance we will have most of them. The remaining 2,100 seats are at the back of the concourse and some early upper deck construction work will be taking place above them. The timing of this work is uncertain at the date of writing so we have been unable to offer them for sale as season tickets for 2004.

The sale of the new 5,500 Eastern Hill Seats that we know will be available has commenced very well. Over 3,000 have been sold to existing and new members who had a preferential purchase period. The remainder are now on sale to the general public and that process is going well. Our ticket price structure has been well received and for the first time we have been able to offer concession prices for seating, family seating packages and children's prices. We are also encouraging ticket holders to become members by offering a discount on the price of seats to club members as well as a range of other benefits including our Knights Member Rewards Card. Through this card we can offer reward points at approximately 250 local merchants and many more merchants across Australia.

Because of the construction on the Eastern hill we will commence the season with reduced seating capacity so I would urge you to purchase a season ticket to avoid disappointment. This reduced capacity may also squeeze our finances even more than normal but our Marketing Team are working very hard to minimise the financial impact.

The grandstand will be completed by the end of 2004 and will offer terrific facilities for the 2005 season. The concourse area will contain 7,600 seats, the second deck will be a corporate area containing a club room for about 400 guests and corporate boxes a further 400. Above the corporate level the upper deck will contain seating for approximately 4000. A 28 meter long roof will ensure that about 7500 of the total seats in the grandstand will be undercover. The 2004 season members/ticket holders will be given a preferential purchase period for the undercover seats that become available for the 2005 season before they are placed on sale to the general public. Our Marketing Team is also working on some innovative and exciting ticket offers for the 2005 season. A



Ken Conway

Chief Executive Officer's Report

considerable amount of customer research has taken place this year to ascertain the desires of our members and corporate partners. Interestingly a University based project has been led by former Captain and Knights Board member Tony Butterfield. We are expecting the results of that research shortly. The research will assist us in meeting customer expectations.

This new stand will for the first time supply our supporters with a modern facility. If ticket sales for the Eastern Concourse for 2004 are any indication it will be very much appreciated. The extra facilities will also afford us the opportunity to increase our revenue significantly and hopefully eliminate the annual struggle for money to fund our magnificent football team.

The Administration and Board are committed to maintaining a pricing policy that will ensure a day at the football will not break the bank. Popular promotions such as our Family Fun day will continue.

Another exciting initiative is our agreement with Ticketmaster7 to open a full Ticketmaster agency in our Kingdom Shop at Energy Australia Stadium. We have also opened a shop at Edgeworth in the Oasis Shopping Centre. We are particularly grateful to Dowling Real Estate for this opportunity as they have organised the premises on a rent free basis. We are also hoping to use that facility for a satellite Ticketmaster Agency as well as a Knights Kingdom Outlet.

Player off field performance was excellent again in 2003. Over 600 official community relations appearances were attended by players mostly to support charity, junior development and other worthy causes. Many players also attended community functions organised directly with them as well as official outings. In 2004 we are looking to extend our community involvement and will hopefully be involved a campaign to improve levels of business training and promote better nutrition in our schools. These programs are the players and the clubs way of saying thank you to our community for the support we receive. We do not take this support for granted.

Our relationship with the Newcastle Rugby League has advanced greatly in 2003. Co-operation at all levels between both bodies has never been stronger and I will be working toward further improvements in 2004. If funds allow an additional junior development officer will be employed with some of the areas of development not currently being given enough focus gaining the extra attention they deserve.

I must also compliment the Hunter International Sports Centre Trust and the Lord Mayors Stadium Committee for the hard work being put into the redevelopment and the fight

for federal funds. The amount of work and responsibility taken on by all Trust Members but particularly Ted Atchison, Leigh Maughan, Ron Harvey, Gwen Jackson and Ben Chard in supervising the redevelopment process is worthy of our praise and admiration. Without these dedicated people I doubt that the redevelopment would be happening.

We have some noteworthy volunteers of our own who also contribute greatly to the team effort. The Board of Directors, Excalibur Club, Supporters Club and too many match day and team officials to mention separately all work long hours for free for the club. We have a group of volunteers that come in and help us do mail outs, another group of ladies that gave their time to help in the Anthony McCrohon Appeal which raised over \$118,000. It is these people that provide the foundation upon which the club survives.

In late 2003 our loose network of "Old Boys" (players and officials) has formed an official "Old Boys Club" with a view to cementing the future of the club. Two of these "Old Boys" are worthy of special mention although I know they never seek accolades. They are the "Chief" and Matty Johns. Despite being extremely busy they gave a week of their valuable time for the Anthony McCrohon appeal and also helped the club in many other ways throughout the year. We are blessed to have ex players of such calibre associated with our club. It will be a pleasure to work with this new club to further develop the Knights spirit and tradition and we will be looking at constructive ways to keep the "Old Boys" involved with our club.

Lastly, my staff all work extremely hard for the success of the Club. Without exception they put in long hours and work harder than any other team of people I have ever worked with. They are all proud of what they do and the team they work for and I can assure the membership that you can be as proud of this team as you are of the one that represents you on the field. I know I am honoured to work with them.

Ken Conway

CEO





Stephen Crowe

The 2003 year was a very positive one for the Knights marketing team, with favourable expenditure and income results indicating the direction set twelve months ago was largely successful.

Sponsorship revenue grew by 15.92% to \$5,379,000 on the previous year despite 2003 being earmarked as a difficult year for sponsorship procurement due to the Rugby World Cup. Major sponsors QantasLink, NIB Health Funds, EnergyAustralia, Carlton & United Breweries, NBN Television and Wests Leagues Club, who have been extremely valuable contributors to the club, have all re-signed for the 2004 season.

Corporate box revenue also increased by \$75,000 on 2002 and with the redevelopment of the eastern grandstand in 2004 and more particularly 2005, projections indicate further favourable results in this area.

Media exposure of the Knights reached unprecedented levels in 2003 despite the fact that the first grade team finished outside the top four for the first time since 1999. At a national level, the Knights finished behind only the Broncos in terms of exposure in all print and broadcast media (excluding semi final period), while in terms of print media alone, the club lead the NRL with over 100,000 column centimetres in the months February to June.

While the club has traditionally finished in the top two clubs in the NRL in terms of home ground averages, 2003 saw a significant improvement in the clubs ability to draw crowds away from its base in Newcastle. In 2003 the club drew an average 16,751 to their away games.

Membership also grew significantly in 2003 largely on the back of the clubs initiative of providing membership discounts for season ticket holders in the new eastern grandstand. Our membership now exceeds 8,000 - the highest level in the club's history - with the expectation that with further season ticket sales to come and an expansion of the membership reward program a target of 10,000 is not unattainable in the mid term.

To help facilitate greater membership value, we would encourage all members to utilise their membership card for discounts and reward points whenever they see the 'Knights Member Rewards' logo at participating merchants across the region.

This year also saw a number of highly successful club promotions and events, some of which will be expanded in 2004. Most notable amongst these, was the EnergyAustralia Kids Free Day coinciding with the Manly game on 3 August which resulted in a capacity crowd. Two of these promotions have been earmarked for 2004.

The Knights inaugural presentation night, held on October 10 at the majestic Civic Theatre, was also a highlight of 2003. Attended by over 600 guests, the evening was an outstanding success for all concerned and expectations are that the 2004 event will be even bigger and better!

2003 saw our club devote itself to an enormous amount of charity work and fundraising. Apart from the unprecedented level of time provided by our players and the enormous amount of donated merchandise, the club also dedicated itself to an appeal for one young man who has not had a great deal of luck. The Anthony McCrohan Appeal raised in excess of \$120,000 throughout the course of the year and special thanks should go to the committee, which was led by Paul Harragon, Barbara Davis, Roma Kane and Judy Parker. A number of corporate supporters of this venture deserve our gratitude, most notably NIB Health Funds who were a very committed major sponsor of the appeal.

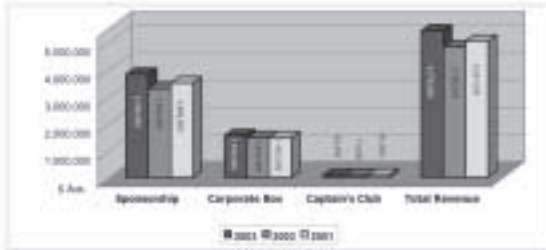
2003 also saw the inauguration of supporter functions run in conjunction with Knights away games. The club hosted members and other Knights supporters in Brisbane, Townsville and Canberra all of which drew strong crowds, enabled the sale of merchandise and membership and helped strengthen the emotional ties with Knights supporters outside of the Hunter Region.

Also new in 2003, was the clubs on-line jersey auction. On the back of the club's victory over the Broncos in Brisbane, the marketing team conducted an auction, utilising the unique playing strip worn by the players on that day. The success of the project has encouraged thoughts of a similar project in 2004.

Increasingly the Knights Marketing Department has also worked hard to gain a stronger voice at National Rugby League (NRL) level with a large degree of success. The Knights Marketing Manager currently sits on its advisory sub-committee and other managers within the department have strong, pro-active relationships with key NRL personnel.

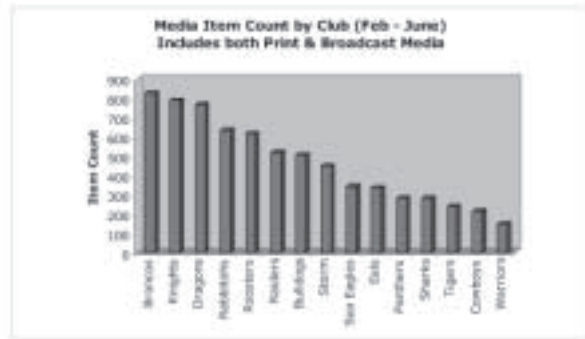


SPONSORSHIP REVENUE

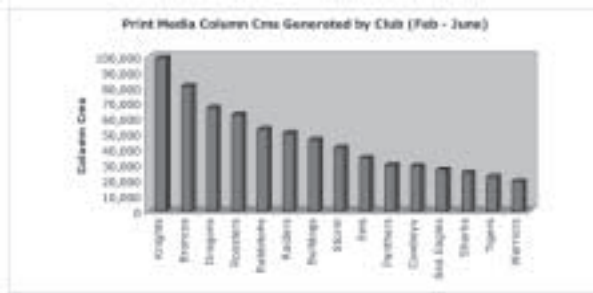


2002 v 2003 Total Revenue Growth 12.25%
 2002 v 2003 Sponsorship Growth 15.92%

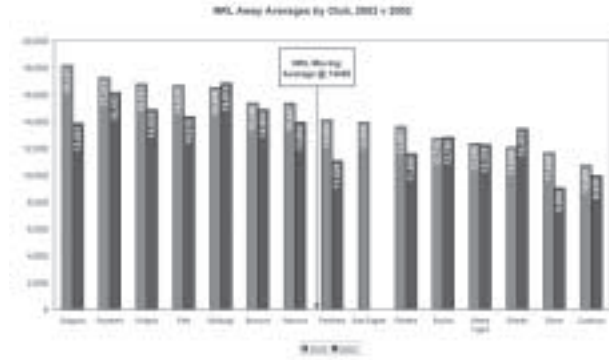
MEDIA ITEM COUNT BY CLUB



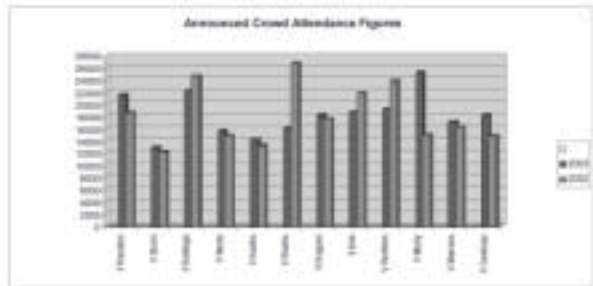
PRINT MEDIA COLUMN CMS BY CLUB



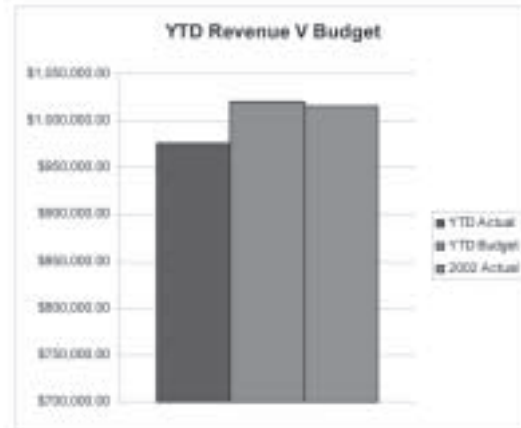
NRL CLUB - AWAY AVERAGES



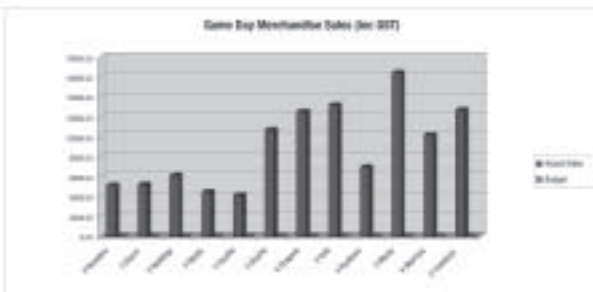
KNIGHTS HOME CROWD FIGURES



MATCH DAY GATE RECEIPTS



MATCH DAY MERCHANDISE SALES



THE GAME AT THE NATIONAL LEVEL

While the Knights have enjoyed a very successful 12 months, the game at the national level has also reached unprecedented levels. The following data highlights some of the achievements from the 2003 year:

- ❖ Telstra Premiership match attendances were up almost 10% on 2002 and heading towards a record (as at the end of round 25). By Grand Final Day more than 3 million people will have attended Rugby League games.
- ❖ Free to air audiences were up by more than 5% on 2002 in Sydney and 8% in Brisbane with more than 2 million people watching the Telstra Premiership nationally each week.
- ❖ Licensing Royalties were approximately \$2.9 million in 2003, which was a 7.5% increase on 2002. More than \$1 million is spent on NRL merchandise each week across Australia.
- ❖ The Telstra Premiership attracted over \$9.6 million in sponsorship revenue in 2003, which was a 14% increase on 2002.
- ❖ In 2003 there were over 198,000 registered Rugby League players in Australia. This comprised 36,600 senior players and 161,700 kids playing in schools and junior league competitions.
- ❖ According to Roy Morgan, there are more than 5 million rugby league fans across Australia. Demographics include: (this information was conducted in 2001 on the 2000 season)
 - 57% are Male and 43% Female
 - 80% of fans live in NSW & Queensland
 - 55% are aged 35+
- ❖ The NRL launched a new league anthem, That's My Team, which has inspired a genuine sense of good will and enthusiasm amongst fans. It is considered the best anthem to have been released since the early 90's Tina Turner 'Simply the Best' campaign.

RESEARCH

The Knights marketing team continues to place a large emphasis on servicing our fans, particularly on match days. To assist in this aim, last March, the club commissioned the Hunter Valley Research Foundation (HVRF) to conduct a community survey in the Hunter Region to assess past and intended future game attendance at Knights' home fixtures.

Among the very detailed results were the following interesting findings:

- ❖ 23.7% of all respondents (percentage represents a proportion of the Hunter population aged 18 and over) indicated they attended a Knights' home game in 2002.

- ❖ Of those who HAD attended a game in 2002, slightly more than three in ten (31.3%) had been to only ONE game in the season while approximately one in twenty (5.5%) had attended all games.
- ❖ Interestingly, 10.7% of respondents who had attended a game in 2002 were not Knights fans, 5.1% were not interested in rugby league and 4.7% dislike crowds!

REDEVELOPMENT OF ENERGYAUSTRALIA STADIUM

Much excitement obviously revolves around the redevelopment of the Eastern Hill area of EnergyAustralia Stadium. The NRL has thankfully delayed our first home game for 2004 until mid April to ensure that the maximum amount of the Eastern Concourse seats will be available for the first game.

To the myriad of sponsors who provide the financial impetus for the club to continue to do what it does in a very competitive market, thank you very much.



Season 2003 Television Audience & Ground Attendance Summary

STANDARD SEASON COMPETITION						
ROUND	GAME	VENUE	CROWD	TCN9 VIEWERS	PAY TV VIEWERS	NBN* VIEWERS
1	New Zealand Warriors	Ericsson	16,291	694,000	48,000	230,000
2	Sydney Roosters	EnergyAustralia	21,562	1,143,000	7,000	228,000
3	Parramatta Eels	Parramatta	17,175	1,144,000	6,000	244,000
4	Melbourne Storm	EnergyAustralia	12,892	-		-
5	The Bulldogs	EnergyAustralia	22,212	1,255,000		282,000
6	The Sharks	Toyota	9,095	812,000		193,000
7	Wests Tigers	EnergyAustralia	15,621	-		-
8	Melbourne Storm	Olympic	9,541	157,000		157,000
9	South Sydney Rabbitohs	EnergyAustralia	14,268	-		-
10	Sydney Roosters	Aussie	14,115	313,000		-
11	The Sharks	EnergyAustralia	16,121	-		-
12	Brisbane Broncos	Suncorp	46,337	1,461,000		250,000
13	St George Illawarra Dragons	EnergyAustralia	18,233	1,376,000		244,000
14	Penrith Panthers	Penrith	18,744	1,246,000		227,000
15	Parramatta Eels	EnergyAustralia	18,704	-		-
16	The Bulldogs	Telstra	26,234	995,000		179,000
17	Penrith Panthers	EnergyAustralia	19,246	1,153,000		186,000
18	Wests Tigers	Campbelltown	9,378	-		-
19	Manly Sea Eagles	EnergyAustralia	25,271	-	35,000	-
20	North Queensland Cowboys	Dairy Famers	15,072	-	108,000	-
21	New Zealand Warriors	EnergyAustralia	17,109	1,226,000	13,000	230,000
22	Canberra Raiders	Canberra	8,050	155,000	63,000	155,000
23	St George Illawarra Dragons	OKI Jubilee	10,978	833,000	9,000	171,000
24	North Queensland Cowboys	EnergyAustralia	18,244	42,000	50,000	42,000
		SUB TOTALS	420,493	14,005,000	339,000	3,018,000

NO PAY TV FIGURES AVAILABLE FOR THIS PERIOD

TELSTRA PREMIERSHIP FINALS SERIES

DATE	GAME	VENUE	CROWD	TCN9 VIEWERS	PAY TV VIEWERS	NBN* VIEWERS
13-Sep-03	Sydney Roosters	Aussie	23,853	1,085,000	8,000	176,000
		SUB TOTALS	23,853	1,085,000	8,000	176,000

* NBN figure is the Northern NSW audience, which is mostly included in the overall TCN9 statistics

Standard Season Games (x24)	+ Finals (x1)	2003 Total Viewers	2003 Average
Ground Attendance (Away x12)	201,010	23,853	224,863
Ground Attendance (Home x12)	219,483	-	219,483
Free-to-air Television (TCN9 x 17)	14,005,000	1,085,000	15,090,000
Pay Television (FoxSports x 10)	339,000	8,000	347,000
TOTALS:	14,764,493	1,116,853	15,881,346

KNIGHTS KINGDOM SUPPORTER STORE

The Knights Kingdom Supporter Store is now ideally situated in the Knights Administration Building at our home base EnergyAustralia Stadium. This store, in addition to the Kingdoms at Rebel Sport Charlestown and The Oasis Centre Edgeworth, provide Knights fans with all their ticketing and merchandise requirements. Knights merchandise is also available on campus at the University of Newcastle Union.

To enhance the ability of the Knights to deliver the best ticketing services possible, Ticketmaster7 has been appointed as the exclusive ticketing services provider for the Newcastle Knights and other premier sporting events at EnergyAustralia Stadium.

IN APPRECIATION

In closing, I would also like to extend a very big thank you to all who have supported the marketing team from both within and outside the organisation.

To the myriad of sponsors who provide the financial impetus for the club to continue to do what it does in a very competitive market, thank you very much.

The introduction of key partners Crazy Johns, Coal & Allied, Newcastle Permanent and Wests Leagues Club to our existing network of sponsors now enables the club the opportunity to offer a diverse range of business solutions and services to all Knights stakeholders

As the club continues to expand robust relationships with our corporate partners we are able to offer valuable benefits to our members, such as exclusive accommodation rates through our preferred Hotel Partner Rydges Hotel & Resorts and telecommunication packages through Crazy Johns and Telstra Country Wide.

It would be remiss not to individually thank a collection of these sponsors. Our appreciation goes to Emanuel Tzafaris (QantasLink), Mark Fitzgibbon (NIB Health Funds), Ashley Pritchard (Carlton & United Breweries), Toni Bright (EnergyAustralia), Philip Gardner (Wests Leagues Club), Mike Rabbitt (NBN Television) along with the team at Neatcorp and Peach Advertising for your ongoing enthusiasm and involvement with our marketing team.

To the club's Chief Executive Ken Conway, Chairman Michael Hill and the Board of Directors, the support offered to the club's marketing objectives has at all times been of the highest order.

To the marketing staff - Nathan Thurston, Vanessa Campbell, Karen Godbee, and Kate Poulter, thank you very much for another exceptional effort during the last 14 months. To Terry

Preston, who joined the club mid-way through 2003 as Business Development Co-ordinator, welcome on board.

Lastly, but certainly not least, to all Knights fans and supporters both here in the Hunter and across the nation, thank you for your invaluable support. In particular to those supporters who are members of our football club - it is your ongoing support that will continue to provide the lifeblood for the Knights in the years to come.

Stephen Crowe

Media & Communications Manager



Merchandising Report

2003 has certainly been a year of significant change for the club's merchandise and ticketing operations.

In August we closed our Kingdom outlet at The Store Building in Hunter Street and opened our new outlet at EnergyAustralia Stadium. The facilities provided in the new premises are significantly better and are ideally located next to the home of the football team. One of the obvious advantages of this locale, is the ability to provide ample parking at the door and no step access to assist our elderly and disabled patrons. Feedback from customers and sales staff has, thus far, been encouraging.

While the volume of sales merchandise has dropped off since the heady days after the 2001 grand final win, we have managed to maintain profitability due to significant cost reductions that were put in place in 2002 and 2003.

In November we introduced a Ticketmaster7 outlet to our Knights Kingdom Shop which allows the club to provide members and supporters with optimum service. Apart from all Knights events, the launch of the service allows patrons to purchase tickets to any event ticketed by Ticketmaster7, anywhere in Australia.

Current clients include the Sydney Entertainment Centre and Capitol Theatre in Sydney, Telstra Dome, Melbourne Cricket Ground and the Arts Centre in Melbourne, Brisbane Lions AFC, Queensland Cricket and Queensland Reds in Brisbane, Derwent Entertainment Centre in Hobart, Subiaco Oval and WACA in Perth.

In January 2004 we opened a new Knights Kingdom outlet in the Oasis Centre at Edgeworth. This outlet has been facilitated by Dowling Real Estate and is located in the Dowling Real Estate building at the shopping centre. While it will only be open at peak shopping times (Wednesday to Saturday), we expect it to provide local residents with access to Knights merchandise and match day tickets, which are not currently available. The club is also conducting a feasibility study on extending our Ticketmaster7 outlet to this shop.

Significant changes have also taken place in ticketing. As a result of the redeveloping stadium, we have been able to provide access to an additional 6200 seats for our first home game, building to 7,600 seats part way through the year. This has allowed us to make reserved season tickets available to the public. The response to date has been excellent but there are still a significant number of seats available. Importantly, for the first time we have been able to offer concession and children's ticket prices for season tickets along with a very economical family ticket. We also have an extensive alcohol-free area. It should be noted that all people purchasing 2004 season tickets in the Eastern Concourse will received first opportunity for undercover seating when it becomes available in 2005.

Margaret Warren

Merchandise Manager



First Grade Report

It is fair to say that the achievements of the team in 2003 were overshadowed by the disappointments that were encountered along the way in what became a very long and arduous season.

The physical and mental demands being placed on our players are increasing rapidly as we try to keep pace with the other 14 teams in the NRL premiership.

Added to this is the representative campaign and the intensity at which the players play at this level.

Whether we like it or not (and while not offering excuses) the number and severity of injuries suffered and representative commitments had an adverse effect on our year.

To give an example, we had five first grade players unavailable at the start of the season including Mark Hughes, Clint Newton and Adam MacDougall. Within two weeks of the start to the year we lost Ben Kennedy, Matt Parsons and Anthony Quinn for a number of games which took our number of unavailable first grade players to eight.

The number of players who had post season surgery was at its highest level for many years and we never really recovered as the year and the demands wore on.

Achievements 2003

Defeated Brisbane in Brisbane for the first time in the club's history at the opening of the spectacular Suncorp Stadium.

Won (home and away) against the Warriors.

We beat Canterbury at home in round five when we were reasonably healthy, and that was one of our best performances at home this year, and we weren't far away with the 14-10 loss to the Roosters in round two.

Player of the year Danny Buderus, players' player Daniel Abraham and coach's award Kurt Gidley.

Ten players made their first grade debut - some kind of club record!

Emergence of talent such as: Craig Hall (Jack Newton rising star), Reegan Tanner, Matt Kennedy, Luke Quigley, Todd Lowrie and Andrew Price.

All of these players will be better for this year's experience and benefit of a fulltime pre-season program.

Winning three of our last four games without Andrew Johns - winning percentage without Andrew for the year was 57% (four wins, from 7 games), as opposed to 37% in previous years.

Improvement of young players including Daniel Abraham

(Country Origin), Anthony Quinn, Kurt Gidley and Josh Perry (NSW).

Retention of the nucleus of our team, including our forward pack was very important to the immediate future of the football team.

Disappointments:

Poor performance in the last game of the year against the Roosters in the first semi-final.

Injuries have been well documented and we seem to be a lot healthier this year, than we were at the same time last year.

It has been a difficult 18 months from an injury management point of view.

Our away form was poor including a couple of humiliating losses against Canterbury and Wests Tigers.

Improvement:

There is no question the team needs to start matching the defensive intensity of a trend-setting team like the Roosters, which Penrith did on grand final night to lift the Telstra Premiership trophy.

The Roosters have increased the level from an intensity point of view so they are certainly the benchmark for how teams defend.

We understand the need to make the necessary adjustments and improvements in the off-season to improve our performance.

If we can get everyone healthy, manage their injuries and get a decent off-season in, there's nothing to say we can't improve a fair bit on what we did this year.

Expectation for 2004:

Improved attitude, better performance and some new faces are things we can look forward to in 2004.

Test players - Andrew Johns, Matt Gidley, Ben Kennedy and Timana Tahu (while disappointed at missing the Kangaroo Tour) should come back physically and mentally re-freshed.

New faces include: Steve Witt (halfback/ five-eighth from Parramatta), Jamie Fitzgerald (utility, Souths), Russell Richardson (centre, Souths), Kevin Henderson (centre, Souths), David Seage (fullback, Wynnum Manly), Trent Salkeld (centre) and David Goodridge (front rower) both from Wests Ncle, George Carmont (centre, Raymond Tce).



Michael Hagan

First Grade Report

A little bit more depth and experience is something that has been actively sought on the back of the representative commitments and injuries that were suffered this year.

This will hopefully allow the club to keep some of its talented juniors in the U20s program and we can progress them when they are better prepared physically and mentally for the demands of Premier League and 1st Grade.

It may also add a little bit more competition for places, which is something that we have not been in position to do for a number of seasons due to the restrictions placed upon our club by the Salary Cap.

Everybody would agree that the last game of 2003 has left a bad taste in the mouths of our supporters, sponsors, players and staff.

It may be just the catalyst this team needs to improve its performance and get back to the levels that were achieved in 2001 and 2002.

Finally

My sincere thanks to my staff who have worked overtime in the past 12 months (given the number of setbacks that were encountered along the way). In particular, I must congratulate Lee Clark (performance co-ordinator and Craig Miller (football co-ordinator) who have demonstrated they are both capable deputies and have worked constantly on improving the football team.

We are fortunate to have the support of two outstanding doctors in Dr Peter McGeoch and Dr Neil Halpin, both of whom were presented with awards for outstanding service to the club at our awards night. They are both thorough professionals and we are fortunate to have them looking after our players. In addition, we appreciate the efforts of Martin Boyd and his staff at Tynan Physiotherapy.

To all of the members of our support staff at senior and junior level (too numerous to mention individually) our club is eternally grateful for the hard work and commitment that was provided this year and in past years for that matter.

Personally, I would also like to thank Mark Sargent, Warren Smiles and Elissa O'Brien who all work very hard to ensure the football department runs smoothly.

The football department could not function effectively without the support of our CEO Ken Conway (and the admin staff), Chairman Michael Hill and the Board of Directors.

Last of all, on behalf of the players, may I thank our fans, members and sponsors for their ongoing support.

We look forward to a more successful season in 2004.

Michael Hagan

Head Coach



First Grade Statistics

2003 First Grade

Round	Knights v	Played at	Result	Score	Crowd
1	New Zealand Warriors	Ericsson Stadium	Win	36-26	16,291
2	Sydney Roosters	EnergyAustralia Stadium	Loss	10-14	21,562
3	Parramatta Eels	Parramatta Stadium	Loss	12-30	17,175
4	Melbourne Storm	EnergyAustralia Stadium	Win	44-28	12,892
5	Sydney Bulldogs	EnergyAustralia Stadium	Win	12-6	22,212
6	Cronulla Sharks	Toyota Park	Win	32-24	9,095
7	Wests Tigers	EnergyAustralia Stadium	Win	34-6	15,621
8	Melbourne Storm	Olympic Park	Loss	6-46	9,541
9	South Sydney Rabbitohs	EnergyAustralia Stadium	Win	42-28	14,268
10	Sydney Roosters	Aussie Stadium	Loss	14-36	14,115
11	Cronulla Sharks	EnergyAustralia Stadium	Loss	24-30	16,121
12	Brisbane Broncos	Suncorp Stadium	Win	32-22	46,337
13	Bye	-	-	-	-
14	St George Illawarra Dragons	EnergyAustralia Stadium	Win	32-30	18,233
15	Penrith Panthers	Penrith Stadium	Loss	6-34	18,744
16	Parramatta Eels	EnergyAustralia Stadium	Win	30-16	18,704
17	Bulldogs	Telstra Stadium	Loss	14-48	26,234
18	Bye	-	-	-	-
19	Penrith Panthers	EnergyAustralia Stadium	Loss	16-29	19,246
20	Wests Tigers	Campbelltown Stadium	Loss	12-52	9,378
21	Manly Sea Eagles	EnergyAustralia Stadium	Win	36-28	25,271
22	North Queensland Cowboys	Dairy Farmers Stadium	Win	60-24	15,072
23	New Zealand Warriors	EnergyAustralia Stadium	Win	36-20	17,198
24	Canberra Raiders	Canberra Stadium	Loss	16-24	8,050
25	St George Illawarra Dragons	Oki Jubilee Stadium	Win	42-8	10,978
26	North Queensland Cowboys	EnergyAustralia Stadium	Win	34-26	18,244
SF1	Sydney Roosters	Aussie Stadium	Loss	8-36	23,853

First Grade Statistics

Name	Total Games	Run on	Replacement	Tries	Goals	Field Goals	Total Points
Daniel Abraham	25	25	0	3	33		78
Todd Bates	4	0	4	1			4
Danny Buderus	23	22	1	10			40
Michael Ennis	1	0	1				0
Matthew Gidley	24	24	0	9			36
Kurt Gidley	20	19	1	8	2		36
Craig Hall	18	14	4	9			36
Mark Hughes	19	17	2	5			20
Matthew Jobson	20	11	9	1			4
Andrew Johns	16	16	0	4	65		146
Ben Kennedy	13	13	0	3			12
Matthew Kennedy	16	1	15				0
Todd Lowrie	6	0	6				0
Adam MacDougall	12	12	0	11			44
Tim Maddison	2	1	1				0
Blake Mueller	3	0	3				0
Clint Newton	6	2	4				0
Robbie O'Davis	15	15	0	4			16
Matt Parsons	16	16	0	1			4
Josh Perry	22	22	0	6			24
Andrew Price	13	3	10	1			4
Luke Quigley	21	5	16				0
Anthony Quinn	18	18	0	10			40
Gavin Quinn	1	1	0				0
Sean Rudder	25	25	0	6			24
Steve Simpson	17	17	0	3			12
Joshua Smith	6	5	1				0
Timana Tahu	14	14	0	14			56
Reegan Tanner	12	0	12				0
Adam Woolnough	15	7	8	1			4

Premier League Report

The Premier League squad of 2003 followed a similar path in terms of results as that of the 2002 First Division team. Last years First Division team recorded 6 wins and a draw whilst using an unprecedented 48 players. The Premier League side also produced 6 winning results and lost 6 matches by less than 4 points and used 43 players. This huge number of players used was again a result of a horrendous injury toll that affected First Grade and Premier League.

Throughout the State-of-Origin and Test Match Series players were called back from the Newcastle Rugby League competition to enable us to put 17 fit players on the park. My sincere thanks to these players, their clubs, and coaching staff. Particularly, Ben Hopper (West's), Cheyne McEntyre (Nelson Bay), and Shaun Wallace (Maitland). Special mention must be made of Dean Amos and the Wyong Rugby League Football Club. Dean again helped demonstrate that players in our local competition are capable of competing at the next level of Rugby League and Craig Hall (Nelson Bay) further re-inforced this with an outstanding debut season. Dean Amos played his last game for the Knights Premier League Team vs Bulldogs (2002 Premiers) at Telstra Stadium scoring 3 tries and kicking 4 goals. It was unfortunate a family illness forced Dean to sever his ties with the Newcastle Knights.

The fast tracking of many younger players saw them develop and perform extremely well in First Grade, including Craig Hall, Todd Bates, Matthew Kennedy, Reegan Tanner, Todd Lowrie, Gavin Quinn, Michael Ennis, Luke Quigley, Andrew Price and Josh Smith.

With an agreed general consensus that we were a young inexperienced team that struggled with the strength and physical demands of Premier League Football, improvement

can be expected throughout 2004. A winning ratio of 27% (6 wins from 22) certainly gives scope for another improved off-season of gym work and the apprenticeship the players have experienced this year can only enhance their knowledge and mental approach to the upcoming season.

We are targeting 11 wins from 22 (50%) in 2004 which would achieve 7th spot in relation to this years table - Rabbitohs: 7th with 22 points, Tigers: 8th with 21 points. This assessment in itself is going to challenge players, staff and all involved with the Premier League Squad as we are all under no illusions about trying to compete week to week with the heavyweights of this division - Canberra, Bulldogs, Panthers, Eels, and Dragons. The introduction of some new and experienced faces will certainly offset our inexperience and Mark Sargent and Michael Hagan are to be congratulated on their work in attracting new signings for 2004.

I would also like to congratulate and thank my staff for their professionalism and support during a difficult season - David Fairleigh, Trent Watson, Neville Allan, Peter Fairleigh, John Shoebridge, and Adam Trypas.

Thankyou also the Board, Mark Sargent, Michael Hagan, Craig Miller, Lee Clark and CEO Ken Conway for continued advice and support.

Mal Graham

Coach

Knights Premier League



Mal Graham



Premier League Statistics

2003 Premier League

Round	Knights v	Played at	Result	Score
1	Bulldogs	EnergyAustralia Stadium	Loss	16-44
2	Cronulla Sharks	Toyota Park	Loss	20-52
3	Wests Tigers	EnergyAustralia Stadium	Loss	10-26
4	Newtown Jets	Henson Park	Loss	30-34
5	South Sydney Rabbitohs	EnergyAustralia Stadium	Loss	22-24
6	Sydney Roosters	Aussie Stadium	Loss	34-38
7	Cronulla Sharks	EnergyAustralia Stadium	Loss	18-20
8	Sea Eagles	Brookvale Oval	Win	30-12
9	North Sydney Bears	North Sydney Oval	Win	28-22
10	St George Illawarra Dragons	EnergyAustralia Stadium	Loss	18-40
11	St Marys Cougars	Penrith Stadium	Loss	16-30
12	Parramatta Eels	EnergyAustralia Stadium	Loss	12-56
13	Bulldogs	Telstra Stadium	Loss	30-50
14	Parramatta Eels	Cabramatta Oval	Win	25-24
15	St Marys Cougars	EnergyAustralia Stadium	Loss	22-26
16	Wests Tigers	Campbelltown Stadium	Loss	16-72
17	Manly Sea Eagles	EnergyAustralia Stadium	Win	24-16
18	North Sydney Bears	EnergyAustralia Stadium	Win	40-20
19	Balmain	EnergyAustralia Stadium	Loss	20-30
20	Canberra Raiders	Canberra Stadium	Win	4-0
21	St George Illawarra Dragons	Oki Jubilee Stadium	Loss	36-58
22	Newtown Jets	EnergyAustralia Stadium	Loss	28-32

Junior Development Report

2003 saw the Junior Development welcome a new sponsor in the Newcastle Permanent. Increased numbers in player registrations have been recorded in the 6 - 15 years 4850 players and 16 - 18 years 969 players. Which sees 3% and 6% increases respectively in these younger ages from 2002.

With the continued hard work and diligence from many volunteers and club officials who are striving to present the best 'our great game' has to offer, these numbers will continue to grow. All those involved in clubs throughout the Districts are to be congratulated.

School Liaison

The Knights development office is responsible for the development of the game in Newcastle, Coalfields and Hunter Valley. There is no harder worker than Helene O'Neill (ARL Foundation) when it comes to attracting, new young players to the game. Helene co-ordinates and conducts the Primary School program which incorporates school visits and clinics, gala days and primary school competitions along with holiday clinics and special programs such as "Kids to Kangaroos". Two young Knights players Brad Tighe and Brad Wallace have worked with Helene completing their Certificate II in Sports Administration. Together Helene and the boys along with other development staff have been face to face with some 35, 538 children.

Coach Education

The development office conducted six Level One Coaching Courses from October 2002 to June 2003 with the accreditation of 208 new coaches. 34 coaches also updated their knowledge to re-accredit themselves for the next four year compulsory period. An advanced Level 2 Course was also conducted along with several update seminars for the senior and junior coaches from the Newcastle Districts Clubs. The Level 2 and seminar lectures included Knights Coaching Staff Michael Hagan, Craig Miller, (Asst Coach) and Lee Clark (Performance Coordinator).

Coaching Panel

The Newcastle Permanent Knights Coaching Panel made 32 visits to the Newcastle and Coalfields Schoolboy (7-15 years) clubs over the winter. Many clubs invited the panel back on several occasions to complete further update sessions on specialised areas for their coaches knowledge. With the aim of the Coaching Panel to increase the coaches knowledge and help retain the coach in the game, this will have a flow on effect down to the players in their care.

A special mention must go to Greg Bannister as Coordinator of the Coaching Panel visits and also assisting in the Coach

Education generally. Along with all members of the Newcastle Permanent Coaching Panel Greg gives a lot of time and effort to assist coaches in this area.



Warren Smiles

The Newcastle Permanent All Schools Knockout

The 2003 Newcastle Permanent All Schools Knockout (ASKO) exceeded all expectations and again saw an increase in the number of schools entering. 280 games were played on 16 fields on finals day. The Paul Harragon Cup 7-a-side small school division saw 8 new schools enter with St Mary's Scone, for the third year, go onto Sydney to represent in the Legends Shield. St Mary's had their dream ended when defeated in the semi-finals their best result, in their three appearances at the Legends Shield.

Winners from the Knights / Newcastle Permanent All Schools Knockout were:

Open A	<i>New Lambton</i>
Open B	<i>St Pauls Gateshead</i>
Paul Harragon Cup	<i>St Mary's Scone</i>
10 Years A	<i>St Josephs Taree</i>
10 Years B	<i>St Pauls Rutherford</i>
U13's	<i>Wingham</i>
U14's	<i>ASC St Josephs</i>
U15's	<i>St Pius X</i>
U16's	<i>Cardiff</i>

Primary School Player of the Carnival

Jacob Gore East Maitland Primary School

High School Player of the Carnival

Zeke Wheelhouse Toronto High School.

A special mention must go to St Paul's Gateshead Primary School Opens team. Their achievements in 2003 have been outstanding including winning the Knights All Schools Knockout, NSWRL State Knockout, the NSWRL Catholic and Independent Primary School Challenge as well as the local Newcastle and Coalfields Challenge Cup. Well done to the boys and all involved.

Arrive alive Cup

Hunter Sports High were graded in the Tier A of the Arrive alive Cup so automatically qualified for a TV appearance. Unfortunately, for Hunter Sports High they were defeated by Patrician Brothers Blacktown in their first appearance. St Francis Xavier also progressed in the Arrive alive Cup after winning the local Tier A Division.

Junior Development Report

Development Projects

2003 saw the Newcastle Permanent Skill Squads expanded to include more young players in the 12, 13, 14, and 15 year age groups. 289 players from Newcastle, Coalfields and Group 21 Clubs participated in the advanced drills on six separate Sunday mornings in July August and September.

The Hunter Academy Rugby League programme co-ordinated by the Development Office also enjoyed another successful year. This culminated in the squad travelling to Melbourne to play a three game series against a Melbourne Storm development squad, winning the series 3 - 0. Coach Laurie Clifton continues to develop footballers and progress them onto higher representative levels both locally and for NSWRL.

Knights Pepsi Junior Representatives

The Newcastle Pepsi Knights Junior Teams both had injury disrupted seasons. With the competitions changing to SG Ball U17's and Jersey Flegg U19's for 10 week seasons, injuries played a big part.

2004 will see the NSWRL reverting to the Harold Matthews (U16's), SG Ball (U18's) both 10 week seasons and Jersey Flegg (U20's) a full season the pathway and development of the players is a lot clearer and distinct.

Harold Matthews U/15's

Newcastle U/15's

Joel Brown	Mallabula
Joel Burraston	Valentine
Aaron Curtis	West Newcastle
Scott Dobbins	Central
Mose Faafete	Valentine
Joshua Grigaitis	Macquarie
Trent Hawks	Macquarie
David Hewat	West Newcastle
Heath Hodges	West Newcastle
Daniel Jannison	West Newcastle
Jacob Jenkinson	Raymond Terrace
Morgan McGuire	Nelson Bay
Ben Moss	Valentine
Tyne Owen	West Newcastle
Ryan Petro	West Newcastle
Nicholas Pintus	West Newcastle
Callan Richardson	Central
Matthew Stephenson	West Newcastle
Zac Williams	Macquarie
Daniel Wood	Valentine

Coach: Gary Thorogood

Manager: Gary Cox

Trainer: Shaun Sunnerton
Steve Vidot
Paul Wallace

Maitland U/15's

Michael Baldwin	Kurri Kurri
Adam Brown	West Wallsend
Thomas Cavanagh	Morpeth
Dylan Connelly	West Maitland
Matthew Cook	Greta Branxton
Brendan Danieletto	Kurri Kurri
Jye Delany	Beresfield
Jesse Denglaze	West Maitland
Greg Edwards	West Maitland
Joel Edwards	Cessnock
Matthew Goddard	Cessnock
Steve Hartcher	Greta Branxton
Dylan Jenkins	West Maitland
Julian Kelly	Morpeth
Jade Mann	Morpeth
Nathan Preston	Western Suburbs
Simon Russell	West Maitland
Brock Starkey	Cessnock
Robert Thurgood	Dungog
Deon Walters	West Maitland

Coach: Geoffery Tranter

Asst Coach: Thomas Trow

Manager: Glenn Richards

Trainer: Jai Keast

With the restructuring of the NSWRL Junior competition it allowed both Newcastle and the Maitland U/15' squads to represent the Knights and region at the weekend carnival held at Wollongong in September.

Results

Illawarra 22 def Newcastle 12, Newcastle 24 def Cronulla 0, Newcastle 26 def Central Coast 6, Newcastle 40 def Group 18 6. Newcastle finished 2nd in their pool which put them up against eventual winners Parramatta. A courageous effort by the Newcastle Boys saw the half time scores locked up at 6 all. A quick Parramatta try after half time to make it 12 - 6 looked like the score would blow out. However, Newcastle stuck to their guns and held the score at 12 - 6 until mid way through the half. Unfortunately, errors crept into Newcastle's game and Parramatta took full advantage to run out winners 26 - 6.

Canterbury 46 def Maitland 4, Sydney Roosters 16 def Maitland 8, Maitland 32 def Group 7 20, Balmain 20 def Maitland 10. The Maitland squad finished fourth in their pool and played Cronulla in the Plate competition, with Cronulla going on to win the Plate.

Junior Development Report

Notable Achievements

Joel Burraston	NSWCHS 15's Australian Merit Team
Jacob Jenkinson	NSWCCC 15's Australian Merit Team
Heath Hodges	NSWCHS 15's
Tyne Owen	NSWCCC 15's

S.G Ball U/17's

Michael Akers
Leigh Abel
Nicolas Andriessen
Dylan Baker
Joel Barton
Joe Catt
Brian Clarke
Matthew Cooper
Robert Dormand
Scott Dureau
David Geary
Brodie Hardman
Brendon Hlad
Mitchell Ison
Joel Marston
Jarrod Mullen
Lloyd Russell
David Sainty
Kade Snowden
Matthew Tredrea
Daniel Vuk
Tim Walker
Luke Walsh
Sam Wooden

Coach:	Laurie Clifton
Assist Coach:	Dean Botham Russell Petrie
Manager:	John Thomas
Trainer:	Gary Thorogood Jamie Williams

The Pepsi S.G Ball squad had a tremendous start winning their first two games. Unfortunately, injuries struck this talented squad with key players Jarrod Mullen (wrist), Robbie Dormand (knee), Lloyd Russell and Brian Clarke (calves), Brendan Hlad (knee) and Dylan Baker (collarbone) ruled out.

Winning 3 of their last 4 games they finished fifth to play Manly in the quarter finals. Down 32 - 0 at half time, the boys dug deep to all but steal the game, but were finally knocked out of the competition with a 32 - 22 defeat at the hands of Manly.

Notable Achievements

Nic Andriessen	NSWCHS Opens
Kade Snowden	NSWCHS Opens, NSW U17's

Manager John Thomas also received due recognition and reward for his contribution to Junior Rugby League when appointed as Manager of the NSW U19's and also the Junior Kangaroos on their tour to Papa New Guinea.

Carlson Club Award

Kade Snowden

SG Ball Horizons Golf Resort Player of the Year

Kade Snowden

SG Ball Horizons Golf Resort Players Player

Kade Snowden

SG Ball Pura Milk Coaches Award

David Sainty

Jersey Flegg U/19's

Ryan Badger
Riley Brown
Ashley Cooper
David Cox
Michael Doggett
Robert Duffy
Chris Everingham
Damien Frize
Joshua Houlison
Nathan McLoughlin
Luke Mercer
Todd Mulville
Murray Parker
Mitchell Parsons
Scott Perrin
Michael Shultz
Chad Solman
Brad Tighe
Dane Tilse
Blake Tremain-Canon
Brad Wallace
Matthew White
Ryan Woo
Brendan Worth
Michael Young

Coach:	'Rip' Taylor
Assist Coach:	Garth Brennan Phil Williams
Manager:	Greg Banister
Trainer:	Sean Martin Alicia Breasley

Junior Development Report

Again, like the S.G Ball squad the Flegg boys had a great start winning their first four games. Injuries were already playing their part with two key forwards Ryan Badger and David Cox needing knee reconstructions from off season injuries. With a third knee reconstruction to Josh Houlison the depth of the forwards was stretched. Along with other injuries in the Flegg squad as well as, Flegg players needing to deputise for the Premier League who were also undermanned due to the club injury toll. However the squad performed creditably with a number of players showing they had 'plenty of tomorrow's'! They were defeated by the eventual premiers 'The Bulldogs' in the quarter final.

Notable Achievements

Riley Brown	NSW U19's
Robert Duffy	NSW U19's

Trainer Sean Martin also received Rep status by being appointed trainer for the NSW U/19's against QLD at Suncorp Stadium.

Jersey Flegg Horizons Golf Resort Player of the Year

Dane Tilse

Jersey Flegg Horizons Golf Resort Players Player

Riley Brown

Jersey Flegg Pura Milk Coaches Award

Dane Tilse

Pepsi continued their naming right sponsorship of the Junior Knights teams in 2003 with Pura Milk as sleeve sponsors and the Newcastle Permanent as short sponsors.

Newcastle Permanent also were the major sponsor of the Junior Development programs with many thanks to Jane Calder and Karen Brown for their support.

Geoff Evans from Pura Milk also deserves our thanks for his ongoing commitment to the sponsorship.

As attempts are made each year to improve the programs we conduct or assist with from the Development Office it is reassuring that the committees from the Newcastle, Maitland and Group 21 areas give us their full support so the game can continue to prosper and grow.

The Board at the Knights and Chairman Michael Hill continue to promote the development of the game and the Junior programs. The continuance of the culture that was established at the club in its conception both for the Knights teams and development at the grassroots of the game are always looking to be strengthened and propagated. Thanks also to CEO Ken Conway for his support of the Development Office.

The Senior Coaching Staff of Michael Hagan, Craig Miller and Lee Clark again gave generous effort and time towards the Junior program and Coach education for community coaches. Their valuable knowledge and dedication is very much appreciated.

Football Manager Mark Sargent also receives my gratitude for his mentoring and professionalism. A special thankyou to Football PA Elissa O'Brien for her dedication and professionalism to the role and putting up with the trials and tribulations of the Football and Development departments.

Last but certainly not least, is a big thankyou to all other staff at the Knights for making life so much easier with your cooperation and willingness to recognise and allow the Development Office its profile.

Warren Smiles

Coaching & Development Manager



Club Records & Honours

2003 Representative Honours

Daniel Abraham
Country Origin

Danny Buderus
County Origin, NSW State of Origin, Australia

Matthew Gidley
NSW State of Origin

Andrew Johns
Country Origin, NSW State of Origin, Australia, Test Captain.

Ben Kennedy
Country Origin, NSW State of Origin

Josh Perry
Country Origin, NSW State of Origin

Steve Simpson
Australia

Timana Tahu
Country Origin, NSW State of Origin

Nic Andriessen
NSWCHS Opens

Kade Snowden
*NSWCHS Opens,
NSW U/17*

Riley Brown
NSW U/19

Robert Duffy
NSW U/19

Club Records

Sevens 1991, 1996

Club Championships 1992

Reserve Grade Premiers 1995

First Grade Premiers 1997, 2001

Most Tries in a Match

Darren Albert

4 in a 46-8 win against West Tigers
at Marathon Stadium
on 20th February 2000.

Adam MacDougall

4 in a 37-30 win against
New Zealand Warriors at Ericsson Stadium
on 22nd July 2001.

Andrew Johns

4 in a 54-26 win against Canberra
Raiders at Marathon Stadium
on 29th July 2001.

Most Tries for the Club

Robbie O'Davis
75 (1992-2003)

Most Tries in a Season

Timana Tahu
21 (Season 2002)

Most Points in a Match

Andrew Johns
4 tries and 9 goals for 34 points
against Canberra Raiders on
Sunday 29th July 2001 at
Marathon Stadium (54-26 win).

Most Points in a Season

Andrew Johns
279-14 tries, 110 goals and 3 field goals
in Season 2001.

Biggest Win

60-0 against South Sydney at
Marathon Stadium on
Sunday 8th August 1999.

Biggest Defeat

14-64 against Sharks at
Toyota Park 11 August 2002.

Longest Winning Sequence

11 matches-August 25 2001 to
April 19 2002.

Longest Losing Sequence

7 matches-June 16th 1991- July 28th 1991
July 17 1994 - August 26 1994

Most First Grade Points for the Club

Andrew Johns
1828 (68 tries, 768 goals & 20 field goals)

Rothmans Medal Winner

Mark Sargent -1989

Dally M Player of the Year Award

Andrew Johns
1998, 1999, 2002.

Club Records & Honours

Golden Boot Award

Andrew Johns
1999, 2001

Clive Churchill Medallion

Robbie O'Davis - 1997
Andrew Johns - 2001

Australian Test Captain

Paul Harragon - 1995
Andrew Johns - 2002, 2003

First Grade Players' Award

Robbie McCormack - 1988
David Boyd - 1989
Marc Glanville - 1990
Marc Glanville - 1991
Robbie McCormack - 1992
Marc Glanville - 1993
Robbie McCormack - 1994
Paul Marquet - 1995
Anthony Butterfield - 1996
Anthony Butterfield - 1997
Andrew Johns - 1998
Andrew Johns - 1999
David Fairleigh - 2000
Ben Kennedy - 2001
Matt Parsons - 2002
Daniel Abraham - 2003

Most First Grade Appearances

Anthony Butterfield - 229
Robbie O'Davis - 207
Andrew Johns - 206
Bill Peden - 190
Marc Glanville - 188
Matthew Johns - 174
Paul Harragon - 169
Matthew Gidley - 161
Robbie McCormack - 154
Mark Hughes - 148
Paul Marquet - 138
Danny Buderus - 133
Sean Rudder - 130
Mark Sargent - 126
Steve Simpson - 114
Michael Hagan - 111
David Boyd - 110
Adam Muir - 100

Match Winning Percentage

53.6% (209 wins from 390 games)

Australian Representatives

Jamie Ainscough
Danny Buderus
Matthew Gidley
Brad Godden
Paul Harragon
Andrew Johns
Matthew Johns
Ben Kennedy
Adam MacDougall
Adam Muir
Robbie O'Davis
Mark Sargent
Steve Simpson
Timana Tahu

New Zealand Internationals

Sam Stewart
James Goulding
Tony Kemp

Great Britain Internationals

Lee Jackson



Knights Supporters Club Report

I have great pleasure in submitting this report on behalf of the Knights Supporters Committee.

2003 was a testing season for fund raising, but in spite of this, the efforts of our group resulted in a total of \$45,000 being donated to the Knights. As well as the donation of cash, we donated in kind by absorbing the cost of 80 Big League Programs at each home game during the season and by providing volunteers to assist with the catering at the "Family Fun Sausage Sizzle night".

Our sincere appreciation is extended to the small band of willing workers who made the time to come along on the night, roll up their sleeves and make the occasion possible.

Our ongoing commitment to the Knights Juniors was continued by the provision of game ball trophies for each game. The trophies were presented at the Knight Juniors presentation night, held at Western Suburbs Leagues Club.

The Game Ball Winners for 2003 are as follows:

Under 17s S G Ball

Kade Snowden (3)
Mitchell Ison
Sam Wooden
Joel Barton
Michael Akers
David Sainty
Leigh Abel

Under 19s Jersey Flegg

Riley Brown (5)
Dane Tilse
Michael Young
Scott Perrin
Brendon Worth

Our congratulations to each of this year's Game Ball winners. We could not fulfill this responsibility without the ongoing support of Warren Smiles and the group who make up the Junior Development team. Our sincere thanks to each of them and congratulations on another year of achievement for Junior Rugby League.

The Supporters Club would like to extend sincere appreciation to Graham Haggood of Sid Fogg Travel for his continued support. The provision of the travel prizes for the game day raffle contributes significantly to the cash donation that the Supporters club makes to the Football Club every year.

I wish to thank the following people for their support and assistance during the 2003 season - my fellow hard working committee members and our President Bob Hancock, Ken Conway and the staff of the Knights Football Club and the management and staff of the International Sports Centre.

Pam Machen

Secretary

Excalibur Club Report

The clubs activities this year encompassed another successful fine weather golf day and three excellent luncheons with good attendances. Slim deGray entertained at our first at the Brewery, Warren Ryan interviewed by Craig Hamilton provided some interesting and controversial aspects of the game at the Duke of Wellington and our presentation luncheon was held at the Crowne Plaza on the Monday night before the Grand Final with the 'neck brace victims' Andrew Johns and Mark Hughes as guest speakers ably encouraged by Mr ABC.

Players' Player award winners were a couple of very promising young forwards in Daniel Abraham in First Grade and Blake Mueller for Premier League. This year signalled a first when a very proud Daniel became the only dual grade winner of the award to date, an achievement making him the envy of many.

After sixteen years of the Knights playing at the International Sports Centre, we finally have some spectator area redevelopment occurring with a new grandstand on the eastern hill to be completed for the 2005 season. Let us hope that the funds for completion of the whole of the grounds facilities become available shortly as when we look at other regions that attract smaller crowds, Newcastle's is certainly deserved. Our congratulations to the Sports Centre Trust for achieving what they have to date.

The Excalibur Club's area in the grandstand was as vibrant as ever for all match days this year and if you are contemplating elevating your level of support for the Knights by joining our prestigious fellowship, please contact John Duncan on 4952 3769.

This year our club's members were very honoured to receive the "Max Fox Award" for outstanding service to the Newcastle Knights and in 2004 we look forward to working closely with the Knights' Administration to reach an even higher level of cooperation and support.

Dennis Rowston

President

John Duncan

Secretary

Brian Carlson Club

The prestigious Carlson Club award this year was presented to Kade Snowden at our annual presentation luncheon at the Junction Tavern on Wednesday 10 October 2003.

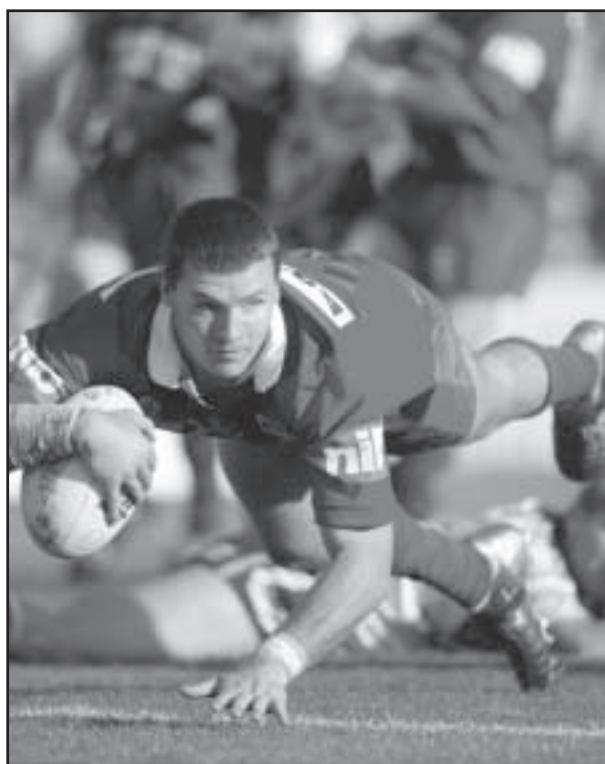
Kade is a big and talented second row or front row forward who will add plenty of no nonsense firepower to any pack and we wish him all the best for a very successful future with the Knights.

At the luncheon I had the opportunity to recall some of the highlights from Brian Carlson's career as a test footballer and 'emphasise' why Brian was chosen in the most recent greatest Kangaroos team ever.

As Kade is only 16 years old, it is understandable that he had not realised what a great all round footballer Brian Carlson was.

Following Brian's death on 15 April 1987, respected sports journalist Peter Muszkat wrote this:

"Brian Carlson was probably the only Rugby League player in history to become a legend in his spare time. That's all he needed to activate football greatness. Spare time. He was never prepared to give any sport the sort of commitment defined as is expected by the modern day concept of professionalism. Brian Carlson played football because he enjoyed it and because he was probably better at it than anyone else".



Frank Hyde's tribute began:

"Among the many champions Rugby League has produced, few can be labelled with the word 'genius'. Such a one was Brian Carlson, league player extraordinaire, who in the opinion of most critics would be included amongst the greatest utility players the game has ever produced".

The tribute from hard man Noel 'Ned' Kelly who played many games with Carlson, was typically to the point. "He was the greatest all-rounder the game ever saw".

Brian started and finished a long career in his home town of Newcastle, where he coached South Newcastle to a premiership victory in 1964 over arch rivals Western Suburbs, despite having his nose badly broken in the early minutes of the game, was a two time Kangaroo tourist and enjoyed famous years with the North Sydney Bears.

Brian Carlson was truly a champion footballer and a great mate and we as Carlson Club members are proud of the fact that our annual award to the S G Ball player of the year is held in such high esteem by the junior players and Knights establishment. Thank you Warren Smiles, Michael Hagan and Mark Sargent for your efforts in attending our luncheons and for your support in our fund raising day at Redhead Bowling Club.

During the year we were deeply saddened by the loss of one of our most loyal and truly loved foundation members and leading horse trainer Max Lees. To Vicki, Kris, Danielle and Justin and family members, we offer our sincere condolences.

On the football side we enjoyed our season up until Joey was injured and then we sort of got a bit edgy but certainly our players need congratulating for the way they played without Joey. Kurt Gidley really stood up and Daniel Abraham was an inspiration. Also congratulations to Danny Buderus and Steve Simpson on their selections in the Kangaroo's touring team.

We look forward to the 2004 footie season and wish Coach Michael Hagan, Captain Andrew Johns and all the players and staff a very enjoyable and successful 2004.

John Harvey

President



2003

The year that was...



Sunday 1 June 2003
Suncorp Stadium Official Opening
Captain Andrew Johns 200th First Grade Game
Full-time Score: Knights 32 - Broncos 22

Newcastle

Knights



NEWCASTLE KNIGHTS 2003



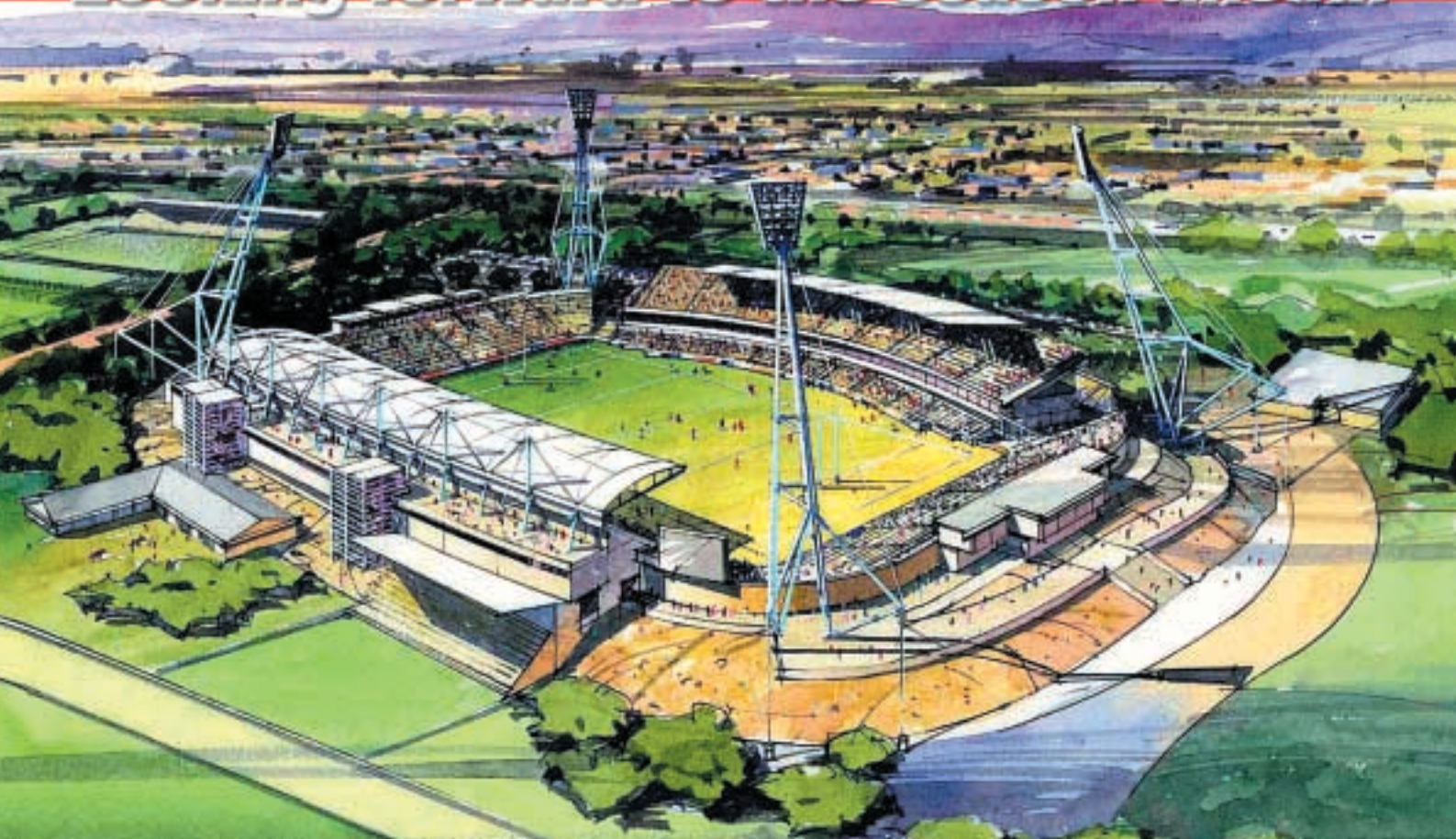
NEWCASTLE KNIGHTS 2003



Our Town
Our Team
Our Turf



2004 and beyond...
Looking forward to the season ahead.



Newcastle Rugby League Report

The premier sport in the Newcastle Region enjoyed a fantastically successful Rugby League season in 2003, in both Newcastle Rugby League competitions (National & Newcastle R L). This was highlighted by a Country Championship win by the Newcastle Division in May at Cessnock. The host club provided six Newcastle Representative players, who eventually went on to win the premiership for the mighty Cessnock Goannas over a very courageous Raymond Terrace side.

Season 2003 was a tight, torrid battle of several extremely talented teams, culminating in our first Saturday Grand final for over 30 yrs, with five different clubs represented in front of a bumper crowd at No 1 sportsground.

Cessnock hung on to win their 1st Tooheys Cup since 1977, after leading 18 points to nil the Goanna's were just able to hold off a typically spirited finish by the Terrace Magpies by 22 pts to 18. Cessnock Captain /Coach Daniel Smailes ignored the pain of a broken leg to return & bravely lead his team in front of his loyal band of supporters down from the Coalfields. Former Country & Newcastle Front Rower Andrew "Boo" Taylor deservedly scooped the awards for the day, winning the B & B Suppliers, J J Wilson, 2HD & NBN Man of the Match awards, after leading his team with an enormous all round game. The performance of Raymond Terrace should not be underestimated as they were considered the benchmark by many, after qualifying 1st for the Grand Final & playing terrific footy all year.

The lower grades were also keenly contested throughout the year, especially by Western Suburbs who finished Minor Premiers in all three grades, just in front of Wyong in both Reserve & Open Grade. It was Wyong who overcame a gallant Raymond Terrace team to win the Reserve Grade Premiership, bringing home their 1st Club trophy in their Inaugural season. Wests proved to strong for their archenemy Lakes in the Open Grade, being the only Minor Premiers to convert their success into Major Premiership winners.

We also witnessed the return of the Steve Henderson coached Waratah club, who due to hard times were unable to compete in 2002, thanks to some hard working committee members the Cheetahs were back in the Maroon & Gold attempting to retain the title in 2003. The Wyong Roos also made their debut in the Tooheys Newcastle Rugby League this season, right from the early rounds they knew the challenge was ahead of them. Although they missed the 1st Grade Semi Finals by a whisker, they proved to be a very professional & formidable force in all three grades.

Arguably the most pleasing factor for 2003 was the

resurgence of some existing clubs & the continued improvement of some relatively new teams. This momentum promises a very exciting 2004 season for the Tooheys Newcastle Rugby League.

One of the most pleasing aspects of season 2003 was the terrific synergy & working relationship we continued to enjoy with the Newcastle Knights.

CEO Ken Conway & Chairman Michael Hill worked extremely closely with our office, accepting my continual requests for advice & support; I would like to personally thank them very much. The coaching Staff headed by Michael Hagan, along with Warren Smiles, Helene O'Neill & all the Development staff have been an absolute pleasure to work with all year. Nathan Thurston's knowledge & business acumen has been a refreshing & very beneficial factor for our staff in 2003. Mark Sargents input this year was also enormous, in particular the draft system for our District Senior clubs, which was introduced this year & proved itself to be a huge success. The Newcastle Rugby League truly appreciates all the work of the Knights staff, without your support & funding our office would struggle to continue its charter of producing more Rugby League players & officials for this district.

Congratulations to all involved in our successful Country Championship Campaign, especially Coach Craig Higgins, & Manager Terry Rouse who prepared the team professionally every step of the way. Thankyou to our trainers, Doctor John Hollingsworth & our very dedicated selectors, without your continued expertise, success would not be forthcoming. Most importantly well done to all participating players, your efforts to accommodate this massive workload were truly heroic. Our crusade began in Murwillumbah against N/Rivers, then up to Tamworth to tackle N/ Division, Foster was next against N/Coast before heading home to Cessnock with a great team victory over the strength of the Monaro Division in the Final by 50 pts to 22.

This success enabled several Newcastle Players to be selected in the Country Rep Team. Including D Quinn, D Lawton, K Bradley, T Petrysen, T Salkeld & T Pavlou who toured S/ East Qld with Newcastle V/ President Vince Murphy (Manager). Along with our World Sevens Rep's from January, T Pezet (c), D Amos, G Cook, W March, who were coached by P Harragon & R Taylor & narrowly beaten in the Semi Finals of the qualifying tournament at St Marys by the eventual winners the Aborigines team.

I would like to extend a big thank you to all our affiliate bodies, sub committee's & in particular the NDRLRA (Referee Assoc)

Newcastle Rugby League Report

for their hard work during this very testing season. Much of your work appears to go unnoticed, however our Board truly appreciates commitment & realises the show would not go on without your contributions.

Finally I would like to thank the Board of the Newcastle Rugby League, Brad, Simone and Kym for all their fantastic help and support throughout my virgin year.

Frank Barrett

General Manager

Our annual presentation night was once again held at the sensational "Starlight Room" in Western Suburbs Leagues club on the 20th August, with several special guests including National Rugby League CEO David Gallop attending. The following awards were presented on the night.

Life Members –

William "Bill" Mitchell
Anthony Scott Price
Dennis Roy Beveridge
Wayne Robert Munro
Christopher Albert Paul
Raymond "Ray" Muir
George Samuel Piggford

SENIOR AWARD WINNERS -

STOCKLAND MALL TROPHY

Highest Point Scorer

Leading Try Scorer:

Jamie Battye (RAYMOND TERRACE)
33 tries, 38 goals = Total 208 Points

B & B SUPPLIERS

Representative Player of the Year

Danny Somerville (WYONG)

THE MAL WOOLFORD TROPHY

(Club Championship)

Club Championship - WESTERN SUBURBS
- 6TH Consecutive Yr

THE HARRY HARDING TROPHY

(Minor Premiers)

First Grade Minor Premiership
- WESTERN SUBURBS

SANDCASTLES HOLIDAY APARTMENTS

Players Player of the Year

Paul Skovgaard (KURRI KURRI)

Coach of the Year

Daniel Smailes (CESSNOCK)

NEWCASTLE KNIGHTS

"Rookie of the Year" AWARD

Daniel Spiteri (CESSNOCK)

Country Rugby League Merit Award

Ken Pilgram

2HD / KONAMI GAMING PLAYER OF THE YEAR

Craig Wise (WESTERN SUBURBS)

Junior Award Winners -

Under 16 Division 1

Craig Ekert (Central Charlestown)

Under 16 Division 2

Matthew Cooper (Nelson Bay)

Under 16 Division 3

Leigh Kelly (Southlakes)

Under 18 Division 1

Shane Ryan (Central Charlestown)

Under 18 Division 2

Daniel Pope (Cardiff)

Under 18 Division 3

Fletcher Celand (Dungog)

Under 16 Representative Player of the Year

Jacob Ling (Wests)

Under 18 Representative Player of the Year

Kurt Evans (Wests)

Junior Rugby League Player of the Year

Clint Crispin (Wests)

GRAND FINALS

Newcastle Schoolboys

U/10 Div.1 Raymond Terrace 23 def West Newcastle 5
U/10 Div.2 South Lakes 23 def Swansea 17
U/10 Div.3 Shortland 28 def Mallabula 10
U/10 Div.4 Raymond Terrace 25 def Wangi 23
U/11 Div.1 Central/Charlestown 24 def Nelson Bay 0
U/11 Div.2 Waratah 18 def Wallsend/Maryland 17
U/11 Div.3 Windale 17 def Nelson Bay 15
U/11 Div.4 Waratah 20 def South 20
U/12 Div.1 Central/Charlestown 25 def Valentine 11
U/12 Div.2 South Lakes 19 def Macquarie 13
U/12 Div.3 Windale 14 def Valentine 5
U/12 Div.4 Raymond Terrace 3 def West 0

Hunter Valley Competition

U/13 Div.1 South Newcastle 14 def West Newcastle 12
U/13 Div.2 Belmont North 12 def Central/Charlestown 6
U/13 Div.3 Scone 28 def Waratah 16

Newcastle Rugby League Report

U/13 Div.4 West Newcastle 16 def Beresfield/Woodberry 12
U/13 Div.5 Valentine 42 def Glendale 22
U/14 Div.1 Macquarie 30 def West Newcastle 6
U/14 Div.2 Greta/Branxton 20 def Kurri ñKurri 18
U/14 Div.3 Central/Charlestown 22 def Morpeth22
U/14 Div.4 South Lakes 16 def West Wallsend 16
U/14 Div.5 Glendale 30 def Swansea 24
U/15 Div.1 West Newcastle 20 def Macq 18
U/15 Div.2 Cessnock 32 def West New 22

U/15 Div.3 Raymond Terrace 20 def Belmont North 12
U/15 Div.4 Dungog 28 def Shortland 12

Maitland & District Schoolboys

U/10 Div.1 West Maitland 25 def Beresfield 12
U/10 Div.2 Cessnock Gold 31 def Greta Branxton 12
U/11 Div.1 Kurri 27 def Beresfield 14
U/11 Div.2 Cessnock Gold 30 def Greta Branxton 13
U/12 Div.1 Muswellbrook 15 def West Maitland 10
U/12 Div.2 Greta Branxton 13 def West Wallsend 12



DIRECTORS REPORT

In respect of the financial year ended 31 December 2003 the Directors of Newcastle Knights Limited submit the following report made out in accordance with a resolution of the Directors.

Directors

The names and details for the directors of the company in office at the date of this report are:

Director	Occupation	Experience
Michael Hill (Chairman)	<i>Lawyer</i>	Managing Partner Turnbull Hill Lawyers
Michael Tyler (Deputy Chairman)	<i>Managing Director</i>	Managing Director, Chamber Consulting Services Pty Ltd Director, The Tyler Group Director, The PSI Group Chairman, Platinum Sports Events Pty Ltd
Trevor Crow	<i>Sales Manager</i>	Director, Newcastle Rugby League Limited Regional Sales Manager Konami Australia
Allan McKeown	<i>Chartered Accountant</i>	Managing Director, Prosperity Personal & Corporate Advisers Pty Ltd. Director, Greater Building Society Ltd
Michael Nesbitt	<i>Managing Director</i>	Director, Marathon Tyres Director, Stamford Tyres Limited
Kevin Parker	<i>Manager</i>	Director, Newcastle Rugby League Manager, Transpacific Industrial Solutions Northern NSW General Market
Ron Robson OAM	<i>Company Director</i>	Chairman, Hunter Water Corporation Chairman, Hunter Water Australia Chairman, Innova Soil Technology Pty Ltd Director, Robson Health Care Pty Limited Chairman, Regional Land Management Corporation
Kevin Smith OAM	<i>Retired</i>	Director, Newcastle Rugby League Director, Newcastle Leagues Club Life Member, Newcastle Knights Limited Life Member, Newcastle Rugby League Life Member, South Ncle Leagues, Leagues Club Patron, Newcastle Rugby League Referees
Vince Murphy	<i>Retired</i>	Director, Newcastle Rugby League Limited Chairman, Newcastle Leagues Club

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were to encourage, foster and promote the development, playing and interest of rugby league football. There were no significant changes in the nature of those activities.

TRADING RESULTS

The Trading result, before capital write offs, was a profit of \$12,276 compared to a trading loss of (\$338,670) for the prior year. When the capital write offs are taken into account (see non operating expenses), there is a deficit of (\$300,290). The company is exempt from income tax.

REVIEW AND RESULTS IN OPERATIONS

The Company again had a difficult year on the football field, with the run of injuries to marquee players continuing on from 2002. The significant number of injuries again required replacements who were employed under incentive based contracts.

The season again ended early for Andrew Johns and this, combined with a number of players carrying injuries, saw the season finish earlier than we had anticipated. The absence of a home semi final impacted heavily on the financial results.

The significant increase in Sponsorship income had a positive impact on the bottom line, congratulations to the Marketing team, specifically Nathan Thurston our Sponsorship Manager. Rationalisation of the merchandising outlets continued to produce positive results. While sales decreased on 2002, the bottom line was up on last year.

Cash flow improved dramatically during the year, producing cash inflows from operating activities of \$957,857 compared to a net outflow of (\$91,525) for the prior year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes occurred.

EVENTS SUBSEQUENT TO BALANCE DATE

There have been no events subsequent to balance date that effect the financial statements as presented.

DIRECTORS' BENEFITS

No director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors shown in the financial report) by reason of a contract made by the company, with the exception of benefits that may be deemed to have arisen in relation to transactions entered in the ordinary course of business and detailed in Note 15 of the financial report with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year the company entered into an agreement to indemnify all directors of the company and current and former executive officers of the company against certain liability to persons (other than the company) which arise out of the performance of their normal duties as director or executive officer, except where the liability arises out of conduct involving a lack of good faith. The company has agreed to indemnify the directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments. Pursuant to Section 309A (3) (d) of the Corporations Act 2001, the nature of the liability and the amount of the premium paid is not disclosed, as such disclosure is prohibited under the insurance contract.

ENVIRONMENTAL REGULATION

The company's operations are subject to various environmental regulations under both Commonwealth and State Legislation. The directors are not aware of any breaches of the legislation during the financial year which is material in nature.

DIRECTORS' MEETINGS

The number of directors' meetings held in the period each director held office during the financial year and the number of meetings attended by each director are:

Director	Number Held	Number Attended
Michael Hill	16	15
Michael Tyler	16	15
Trevor Crow	16	12
Steve Doran	2 (resigned 30/12)	1
Michael Nesbitt	16	13
Anthony Butterfield	2 (resigned 30/12)	2
Ron Robson	16	13
Kevin Smith	16	12
Vince Murphy	16	16
A McKeown	14 (apptd 30/12)	13
K Parker	14 (apptd 30/12)	14

This report is made out in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors.



M. Tyler
Director



R. Robson
Director

Newcastle 1st March 2004

Statement of Financial Performance

NEWCASTLE KNIGHTS LIMITED
ABN 86 003 363 228

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2003

	NOTES	2003 \$	2002 \$
Revenue	2		
Sponsorship		6,130,895	4,792,317
Grants		2,916,667	2,500,000
Stadium/match days		2,766,560	2,554,001
Prize money		20,000	87,652
Merchandise income		995,772	1,261,644
Other operating activities		188,716	175,959
Interest received		9,942	36,106
Profit on sale of assets		-	35,239
Total Revenue		<u>13,028,552</u>	<u>11,442,919</u>
Expenses			
Merchandise Cost of Sales		(532,063)	(722,654)
Merchandise Expenses		(258,928)	(384,942)
Membership Expenses		(143,795)	(41,021)
Football Expense		(6,251,994)	(5,440,243)
Stadium Expenses		(1,212,253)	(989,042)
Marketing Expenses		(1,820,126)	(1,506,284)
Ticketing Expense		(151,307)	(114,639)
Development Expenses		(986,497)	(1,003,036)
Administration Expenses		(1,116,708)	(1,117,735)
Amortisation and Depreciation		(510,161)	(442,427)
Non-operating expense		(312,566)	(0)
Borrowing costs expenses		(32,444)	(19,566)
Total Expenses		<u>(13,328,842)</u>	<u>(11,781,589)</u>
OPERATING (LOSS)/PROFIT BEFORE INCOME TAX	3	(300,290)	(338,670)
Income Tax attributable to Profit	1(h)	-	-
OPERATING (LOSS)/PROFIT AFTER INCOME TAX		(300,290)	(338,670)
ACCUMULATED (LOSS)/PROFIT at the beginning of the financial year		<u>(813,213)</u>	<u>(474,543)</u>
ACCUMULATED (LOSS)/PROFIT at the end of the financial year		<u>(1,113,503)</u>	<u>(813,213)</u>

The accompanying notes form an integral part of this financial report

Statement of Financial Position

NEWCASTLE KNIGHTS LIMITED
ABN 86 003 363 228

AS AT 31 DECEMBER 2003

	NOTES	2003 \$	2002 \$
CURRENT ASSETS			
Cash Assets	14	336,938	78,396
Receivables	4	1,646,282	1,515,438
Inventories	5	74,000	80,974
Other	6	135,997	282,604
TOTAL CURRENT ASSETS		<u>2,193,217</u>	<u>1,957,412</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	723,397	1,252,665
TOTAL NON-CURRENT ASSETS		<u>723,397</u>	<u>1,252,665</u>
TOTAL ASSETS		<u>2,916,614</u>	<u>3,210,078</u>
CURRENT LIABILITIES			
Payables	8	3,410,442	3,005,337
Interest Bearing Liabilities	9	293,311	667,759
Provisions	10	142,401	106,793
TOTAL CURRENT LIABILITIES		<u>3,846,153</u>	<u>3,779,889</u>
NON-CURRENT LIABILITIES			
Payables	8	90,000	180,000
Interest Bearing Liabilities	9	93,963	63,401
TOTAL NON-CURRENT LIABILITIES		<u>183,963</u>	<u>243,401</u>
TOTAL LIABILITIES		<u>4,030,117</u>	<u>4,023,290</u>
NET ASSETS		<u>(1,113,502)</u>	<u>(813,213)</u>
ACCUMULATED (LOSSES)/PROFITS		<u>(1,113,502)</u>	<u>(813,213)</u>

The accompanying notes form an integral part of this financial report

Statement of Cash Flows

NEWCASTLE KNIGHTS LIMITED
ABN 86 003 363 228

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2003

	NOTES	2003 \$	2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from trade and other debtors		13,298,439	11,592,499
Payments to trade creditors, other suppliers and creditors and employees		(12,318,080)	(11,700,564)
Interest received		9,942	36,106
Interest paid		(22,807)	(17,716)
Finance charges on finance leases paid		(9,637)	(1,850)
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	<u>957,857</u>	<u>(91,525)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Property, Plant and Equipment		-	-
Payments for Property, Plant and Equipment		(164,663)	(45,477)
Loans to other corporation		(641)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(165,304)</u>	<u>(45,477)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(740,000)	(390,000)
Loans from other corporation		252,925	500,000
Principal repayments under finance leases		(46,936)	(37,976)
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>(534,011)</u>	<u>72,024</u>
NET (DECREASE)/INCREASE IN CASH HELD		258,542	(64,978)
Cash at beginning of the financial year		<u>78,396</u>	<u>143,374</u>
Cash at the end of the financial year	14	<u><u>336,938</u></u>	<u><u>78,396</u></u>

The accompanying notes form an integral part of this financial report

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2003

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report prepared in accordance with Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Corporations Act 2001. The financial report comprises the accounts of the company, Newcastle Knights Limited.

(a) NRL Support

The continuing operation of the company is dependent on ongoing funding support being received from the NRL. The company received a five-year licence to compete in the NRL premiership. This includes a contractual commitment from the NRL for funding at a level equal to that in prior years. Accordingly the accounts have been prepared on a going concern basis.

(b) Basis of Accounting

The financial report has been prepared on an accruals basis and is based on historical costs and except where stated does not take into account current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The fair value of cash consideration with deferred settlement terms is determined by discounting any amounts payable in the future to their present value as at the date of acquisition. Present values are calculated using rates applicable to similar borrowing arrangements of the company.

The company has not adopted a policy of revaluing its non current assets on a regular basis. Non current assets are revalued from time to time as considered appropriate by the directors and are not stated at amounts in excess of their recoverable amounts. Except where stated recoverable amounts are not determined using discounted cash flows. The accounting policies have been consistently applied, unless stated otherwise.

(c) Depreciation and Amortisation of Property, Plant and Equipment

Property, plant and equipment including capitalised leased assets, other than freehold land, are depreciated over their estimated useful lives to the company using the straight-line method, commencing from the time the assets are held ready for use.

The depreciation rates used for each class of depreciable assets are:

Leasehold improvements	7.69% - 33.33% straight line
Plant and equipment	10.00% - 50.00% straight line
Plant and equipment – leased	12.50% - 33.3 % straight line

(d) Inventories

Inventories are valued at the lower of cost and net realisable value.

(e) Employee Entitlements

Liabilities for employees' entitlements to annual leave and long service leave which are expected to be settled within the twelve months of balance date are measured at their nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to balance date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

Contributions to employee superannuation funds are charged as an expense as the contributions are paid or become payable.

The company had 129 employees at balance date.

(f) Cash Flows

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and money market investments readily convertible to cash within two working days, net of bank overdrafts.

(g) Leased Assets

Finance leases, which effectively transfer to the entity substantially all of the risks and benefits incidental to ownership of the leased items, are capitalised at the present value of the minimum lease payments disclosed as leased fixed assets and amortised over the period the entity is expected to benefit from the use of the leased assets. Operating lease payments, where the lessors effectively retain substantially all of the risks and benefits of ownership of the leased items, are included in the determination of the operating profit in equal instalments over the lease term. The cost of improvements to or on leasehold property is capitalised and amortised over the unexpired period of the lease or the estimated useful lives of the improvements whichever is the shorter.

(h) Income Tax

The company is exempt from Income Tax under Section 50-45 of the Income Tax Assessment Act 1997.

(i) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement within 30 days. A provision is raised for any doubtful debts based on a review of all outstanding amounts at year-end. Bad debts are written off during the period in which they are identified. Trade debtors include amounts invoiced for corporate sponsorships for the subsequent year. These amounts are shown as unearned revenue in creditors and borrowings.

(j) Trade and Other Creditors

These amounts represent liabilities for goods and services provided and which are unpaid at year-end. The amounts are unsecured and are usually paid within 45 days of recognition. Other creditors include unearned sponsorship revenues in advance.

(k) Borrowings

Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt.

(l) Comparative Figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

(m) Revenue Recognition

Revenue from sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to financial assets. Revenue from the rendering of services is recognised upon delivery of the service to customers. The gross proceeds of asset sales are included as revenue of the company. The profit or loss on disposal is brought to account at the date an unconditional contract of sale is signed.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an item of expense. Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from or payable to, the ATO, is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cashflows on a gross basis. The GST components of the cash flows arising from investing activities which are recoverable from or payable to, the ATO, are classified as operating cashflows.

(o) Other Information

The company, being incorporated in New South Wales, Australia under the Corporations Act 2001 has its registered office and principle place of business at Knights Administration Building, Turton Road, New Lambton, NSW 2305.

(p) Change in Financial Year End

The company changed its financial year end to 31 December 2003. Consequently this financial report covers a 14 month period from 1 November 2002 to 31 December 2003.

In accordance with prior years, revenues have been recognised and transferred from Income in Advance in respect of Corporate Boxes, Season Tickets, Captains Club, Sponsorships and the Eurest Catering contract. The basis of the revenue recognition has been to recognise 2/12th's of the actual or expected 2004 season revenues for all items, except Sponsorships, where 2/14th's of major sponsors have been recognised as revenues. These revenues have been recognised on the basis that the company is contractually obligated to accrue an amount in respect of Player Payments.

Notes to & Forming Part of the Financial Report

NEWCASTLE KNIGHTS LIMITED
ABN 86 003 363 228

	NOTES	2003 \$	2002 \$
2. OPERATING REVENUE			
Revenue from operating activities			
- Sponsorships		6,130,895	4,792,317
- NSWRL, ARL and NRL		2,916,667	2,500,000
- Stadium/match days		2,766,560	2,554,001
- Prize Money		20,000	87,652
- Merchandising income		995,772	1,261,644
- Other operating activities		188,716	175,959
Revenue from non-operating activities			
- Interest revenue - other corporations		9,942	36,106
- Proceeds from sale of non current assets		13,155	36,618
		13,041,707	11,444,298
3. OPERATING PROFIT			
(a) Operating Profit has been determined after:			
Crediting			
Interest attributable to other corporations		9,942	36,106
Profit on sale of non current assets		-	35,239
Charging as Expense			
Amortisation - Leasehold Improvements		309,606	302,895
- Leased Assets		102,981	26,317
Depreciation of non current assets		97,573	113,216
Provision for doubtful debts		8,889	-
Provision for employee entitlements		115,441	140,578
Contributions to employee superannuation funds		577,696	452,899
Interest attributable to other corporations		22,807	17,716
Finance charges relating to finance arrangements		9,637	1,850
Rental expense on operating leases		142,185	87,852
Net Loss from sale of non-current assets		-	-
Loss on disposal of assets		281,921	-
Write off of balance of Knights Leagues Club loan		30,645	-
Capital Write off			
Due to the redevelopment of EnergyAustralia Stadium, leasehold improvements totalling \$281,921 were written off during the period.			
In addition \$30,645 relating to a long term loan was written off bringing one off capital write offs for the year to \$312,566.			
(b) Auditors Remuneration			
Amounts received, or due and receivable by the auditors for:			
Auditing financial report		31,692	21,370
Other services		14,775	-
		46,467	21,370
4 RECEIVABLES (CURRENT)			
Trade Debtors		1,546,038	1,058,898
Less provision for doubtful debts		(61,551)	(52,662)
Total		1,484,487	1,006,236
Amounts other than trade debts receivable		161,794	509,202
		1,646,282	1,515,438

Notes to & Forming Part of the Financial Report

NEWCASTLE KNIGHTS LIMITED
ABN 86 003 363 228

	NOTES	2003 \$	2002 \$
5. INVENTORIES (CURRENT)			
Finished Goods at Cost		74,000	100,974
Less provision for stock obsolescence		-	(20,000)
		<u>74,000</u>	<u>80,974</u>
6. OTHER ASSETS (CURRENT)			
Prepayments		135,997	282,604
		<u>135,997</u>	<u>282,604</u>
7. PROPERTY PLANT AND EQUIPMENT			
Plant and Equipment - at cost		1,233,543	1,277,088
Accumulated depreciation		(1,066,207)	(977,866)
		<u>167,336</u>	<u>299,222</u>
Plant and Equipment - under lease		341,659	138,989
Accumulated amortisation		(184,661)	(112,590)
		<u>156,998</u>	<u>26,399</u>
Leasehold Improvements - at cost		1,470,277	2,180,816
Accumulated amortisation		(1,071,214)	(1,253,771)
		<u>399,063</u>	<u>927,044</u>
Total Property, Plant and Equipment - at cost		3,045,478	3,596,893
Accumulated depreciation and amortisation		(2,322,081)	(2,344,228)
Total written down amount		<u>723,397</u>	<u>1,252,665</u>
Opening Written Down Value		1,252,665	1,542,731
Plus: Acquisitions at cost		275,969	153,740
Less: Disposals at written down value		(295,076)	(1,378)
Depreciation & Amortisation		(510,161)	(442,428)
Closing Written Down Value		<u>723,397</u>	<u>1,252,665</u>
8. (a) PAYABLES (CURRENT)			
Unsecured: Trade Creditors		234,579	365,771
Other Creditors and Accruals		1,279,560	1,180,721
Advance Ticket Sales and Sponsorship		1,806,303	1,368,845
Secured: Loan *		90,000	90,000
		<u>3,410,442</u>	<u>3,005,337</u>
(b) PAYABLES (NON-CURRENT)			
Secured: Loan *		90,000	180,000
		<u>90,000</u>	<u>180,000</u>

* This loan is secured by a fixed and floating charge over the whole of the undertaking of property and assets of Newcastle Knights Limited.

Notes to & Forming Part of the Financial Report

NEWCASTLE KNIGHTS LIMITED
ABN 86 003 363 228

	NOTES	2003 \$	2002 \$
9. (a) INTEREST BEARING LIABILITIES (CURRENT)			
Finance Liability	11	43,311	17,759
Loan		250,000	650,000
		<u>293,311</u>	<u>667,759</u>
(b) INTEREST BEARING LIABILITIES (NON CURRENT)			
Finance Liability	11	93,963	63,401
		<u>93,963</u>	<u>63,401</u>
10. PROVISIONS (CURRENT)			
Employee Entitlements		142,401	106,793
		<u>142,401</u>	<u>106,793</u>
11. EXPENDITURE COMMITMENTS			
Finance Arrangements			
Payable not later than one year		51,448	24,323
Payable later than one year and not later than two years		50,525	22,809
Payable later than two years and not later than five years		60,721	45,996
		<u>162,694</u>	<u>93,128</u>
Total minimum payments		162,694	93,128
Less: Future finance charges		(25,420)	(11,968)
		<u>137,274</u>	<u>81,160</u>
Current Liability	9(a)	43,311	17,759
Non Current Liability	9(b)	93,963	63,401
		<u>137,274</u>	<u>81,160</u>
Operating Leases - Grounds and Premises			
Payable not later than one year		193,301	87,852
Payable later than one year and not later than two years		100,000	87,852
Payable later than two years and not later than five years		300,000	263,556
Payable later than five years		466,000	21,963
		<u>1,059,301</u>	<u>461,223</u>
<p>The company moved to the Administration Building at the Stadium in August 2003 and have a lease for that building for an initial period of 10 years. The annual rental will be indexed according to CPI. The lease on the Stadium will be relinquished at 31st December 2004. The terms of the new leasing arrangement are still being negotiated.</p>			
Contractual Commitments - Players			
Payable not later than one year		3,691,887	3,287,693
Payable later than one year and not later than two years		1,961,500	2,515,349
Payable later than two years and not later than five years		864,300	1,082,700
		<u>6,517,687</u>	<u>6,885,742</u>
Capital Commitments			
Balance of the fitout on the Administration building		50,000	
Scoreboard		52,000	

15. RELATED PARTY INFORMATION

(a) The Directors of Newcastle Knights Limited during the financial year were:

Anthony Butterfield	Trevor Crow	Steve Doran
Michael Hill	Allan Mckeown	Vince Murphy
Michael Nesbitt	Kevin Parker	Ron Robson
Kevin Smith	Michael Tyler	

The appointment and resignation of directors are as shown in the Directors Report.

(b) The following related party transactions occurred during the financial year:

Revenue from director related entities under normal terms and conditions:

The following director related entities held corporate viewing boxes at EnergyAustralia Stadium during the financial year.

Turnbull Hill Partners of which Mr M Hill is a partner.

Marathon Tyres of which Mr M Nesbitt is a director.

Killen & Doran Architects of which Mr S Doran is a director.

Prosperity Personal & Corporate Advisers of which Allan McKeown is a director. Prosperity was also a sponsor of the Knights.

A grant of \$2,916,667 was received from the National Rugby League of which Mr M Hill was a director (2002 \$2,500,000).

Purchases from director related entities under normal terms and conditions:

Newcastle Rugby League Limited of which Messrs S Doran, T Crow, K Smith, K Parker and V Murphy are / were directors aggregated \$10,400 of the company's expenditure (2002 \$10,400).

International Sports Centre Trust of which Mr M Hill is a director, aggregated \$262,353 of the company expenditure (2002 \$177,849).

Turnbull Hill Partners of which Mr M Hill is a partner, aggregated \$11,949 of the company's expenditure (2002 \$1,616).

Marathon Tyres of which Mr Nesbitt is a director, aggregated \$2,046 of the company's expenditure (2002 \$Nil).

Hunter Water Corporation of which Mr Ron Robson is the Chairman, aggregated \$39,603

16. GOING CONCERN

Uncertainty exists as to whether the company will be able to continue as a going concern without continued support of the company's members, crowd attendance, sponsors and the honouring of the National Rugby League's funding contract. The board is continuing to monitor costs through budgeting and review of all expenditure, and seek out further opportunities for increased revenues.

The Board believes that the upgrade of the stadium will result in increased revenues for the company into the future. If the company is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in this financial report.

17. SEGMENT INFORMATION

The company operated in one industry segment - playing and development of rugby league football, and in one geographical area - Australia.

Notes to & Forming Part of the Financial Report

NEWCASTLE KNIGHTS LIMITED
ABN 86 003 363 228

18. FINANCIAL INSTRUMENTS

(a) Credit risk exposures

The credit risk on financial assets which have been recognised on the statement of financial position is generally the carrying amount net of any provisions for doubtful debts as disclosed in the statement of financial position and notes to the financial report.

(b) Interest rate risk exposures

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate for each class of financial asset and liability is set out below:

Notes	Floating interest rate	Fixed interest maturing in:		Non-interest bearing	Total
		1 year or less	over 1 year to 5 years		
2003					
Financial assets					
Cash on hand	14	-	-	2,400	2,400
Cash at bank	14	334,538	-	-	334,538
Receivables	4	-	-	1,646,282	1,646,282
		334,538	-	1,648,682	1,983,220
Weighted average interest rate 2.05%					
Financial liabilities					
Trade and other creditors	8	-	-	3,320,442	3,320,442
Loan - secured	8	-	-	180,000	180,000
Loan	9	-	250,000	-	250,000
Lease liability	9	-	43,311	93,963	137,274
		-	293,311	3,500,442	3,887,716
Weighted average interest rate 8.70% 11.80%					
Net financial (liabilities)/assets		334,538	(293,311)	(1,851,760)	(1,904,496)

(c) Net fair value of financial assets and liabilities

The net fair value of financial assets and liabilities approximates their carrying value.

Reconciliation of net financial assets to net assets

Notes	2003 \$	2002 \$
Net financial assets as above	(1,904,496)	(2,322,663)
Non-financial assets and liabilities		
Inventories	5 74,000	80,974
Property, plant and equipment	7 723,397	1,252,665
Other assets	6 135,997	282,604
Provisions	10 (142,401)	(106,793)
Net assets per statement of financial position	(1,113,502)	(813,213)

Directors Declaration

NEWCASTLE KNIGHTS LIMITED
ABN 86 003 363 228

In the opinion of the directors of the Newcastle Knights Limited:

- I. The financial report is in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the financial position of the company as at 31 December 2003 and of its performance, as represented by the results of its operations and cash flows, for the 14 month period ended on that date;
 - ii. complying with Accounting Standards and the Corporations Act 2001; and
2. At the date of this statement, the company's ability to pay its debts as and when they fall due, depends on the continued support of members, crowd attendance, sponsors, suppliers and other creditors, and the contractual arrangement of the National Rugby League.

This declaration is made in accordance with a resolution of the board of directors and signed for and on behalf of the directors.



M. Tyler
Director



R. Robson
Director

Newcastle 1st March 2004

Scope

We have audited the Financial Report of Newcastle Knights Ltd for the financial period ended 31 December 2003 as set out on pages 35 to 47. The Company's Directors are responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the Members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide a reasonable assurance as to whether the financial report is free of material misstatement. Our procedures include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of Newcastle Knights Ltd's financial position, and performance as represented by the results of its operations and its cashflows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Newcastle Knights Ltd is in accordance with:

- (a) The corporations Act 2001, including –
 - i. Giving a true and fair view of the Newcastle Knights Ltd's financial position as at 31 December 2003 and of its performance for the 14 month period ended on that date; and
 - ii. Complying with Accounting Standards and the Corporation Regulations; and
- (b) Other mandatory professional reporting requirements.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. Reference is made to the matters described in note 16, with uncertainty continuing to exist as to whether the Company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



R. C. Rice
Partner

Crosbie Warren Sinclair Partners
Certified Practising Accountants

Dated at Newcastle
1st March 2004

Knights 2003 Sponsors

A L Murphy Pty Limited
A.J. Edden Pty Limited
Aaron & Burke Real Estate
ABB Australia Pty Limited
ABB Installation
Ace Access & Scaffolds
Ace Plastic Signs Pty Limited
Advantage Personnel
Afrotag Pty Ltd
Aggreko
Air View Aluminium Pty Limited
Alfabs Engineering Group Pty Limited
Alliance Electrical Wholesalers (Newcastle)
Alstom - Maitland Workshop
Amcal Chemist Wallsend Plaza
Amcal Pharmacies, Tanilba Bay & Mount Hutton
AON Risk Services
Apex - Fenner Conveyor Services
Asquith & DeWitt Pty Limited
ATCO Structures Pty Limited
Australia Wide Fire Supplies Pty Limited
Australian Property Finance
B & B Supplies
Baker and Cook
Bale Boshev Lawyers
Barry Grainger
Bay Timbers
Belmont Citi Centre
Belta Ballistrades
Berkeley Challenge
Bilbie Dan Solicitors
Boral Transport
Boulevard on Beaumont Hotel
Bowen Petroleum Services
Bradken Rail
Bruce & Thea Johanson
Building Component Sales
C & L Building Systems
Cadbury Schweppes (Pepsi)
Café Ziss
Caltex
Cameron Cranes
Campvale Landscape Garden Supplies
CapitalCorp Financial Services
Cardiff Powder Coating
Carlton & United Breweries
Caroma Industries
Castle Chemicals
Central Coast Rubber Repairs
Cessnock Metaland
Channel Motors
Choice HR (Newcastle) Pty Limited
Chubb Security
Churchills Retravision
Clarke Moore & Associates
ClubNova Panthers - Cardiff
ClubNova Panthers - Newcastle
Coal & Allied
Cois Pty Limited t/a Advanced Pest Control
Colin Chapman Real Estate
Colliers International (Newcastle)
Combined Packaging
Commutel
Conaghan Civil Pty Ltd
Convatech Pty Limited
Coolrite Air Conditioning
Cordukes
Courtney Sharp
Crazy John's Mobile Phones
Crosbie, Warren & Sinclair
CSR Gyprock Products
D & S Fabrications
Dajco Pty Limited
Daracon Engineering Pty Limited (Daracon Group)
Darrall Gibson & Sons
DBT Australia Pty Limited

Knights 2003 Sponsors

Dealquip
Delta Phones
Demat Pty Limited
Directors Box
Domayne
Dowling Real Estate - Raymond Terrace
Dowling Real Estate Pty Limited
Dowling Real Estate The Junction
Dowling Real Estate Warners Bay
Downer Engineering
Drayton Building & Construction Pty Limited
Drayton's Family Wines
Dux Hot Water
Duxton Hotel (North Sydney)
DYWIDAG - Systems International Pty Limited
Eclipse Corporate Hospitality
Em Dee Engineering
EMECO International Pty Limited
EnergyAustralia
Eurest (Australia) Pty Limited
Fire Fighting Enterprises
Freedom Furniture
Goldsmiths Frames & Trusses Pty Limited
Gough & Gilmour Holdings Pty Limited
GradSchool.com
Great Lakes Tourism
Greater Union Cinemas
Griffiths Computerised Engineering
Hankook Tyres
Harveys Newcastle Pty Limited
Horizons Golf Resort
Hunter Access
Hunter Access Finance
Hunter Bulk Materials
Hunter Civil & Hire
Hunter International Sports Centre Trust
Hunter Petroleum Products
Hunter Readymixed Concrete Pty Limited
Hunter Valley Gardens
Hunter Valley Real Estate Pty Limited
Hunter Watertech Pty Ltd
Hunterlink
Hydramatic Engineering
Ipera Information Technology
ISC - International Sports Clothing
Jarvie Engineering Pty Limited
Jeff Shakespeare & Associates
Jennings Print
Jenny Varley
Jetset Travel
Keller Civil Engineers
Kelly Holden
Kenshaw Electrical Pty Ltd
Killen & Doran Architects
Kingston Industries
Kinvale Partners Pty Limited
Kirby Refrigeration
Knightland Security
Komatsu Australia
Lake Macquarie Private Hospital
Lake Macquarie Refrigeration
Lateral Financial Services Pty Limited
Lawler Partners Pty Limited
Lee Clarke & Co
Lovelocks Refrigeration
Macs Industrial Pipework
Mander Toyota
Marathon Jax Tyres
Marathon Tyres
Mark Leatham Painting Pty Limited
Martines'
Mawhinney Insurance Brokers Pty Limited
McDonald Johnson Lawyers
McKenzie Fashion Agencies
Metalcorp Recyclers Pty Limited
MI Power Pty Limited

Knights 2003 Sponsors

Mining Components Australia
Monier Wunderlich
Montgomery Homes
MRM Solicitors
Mucho's Mexican
Multicam Systems
Musashi Pty Limited
National Entertainment Services
National Foods - Pura Milk
NBN Television
NCP Printing
New England Industrial Sales Pty Ltd
Newcastle Fresh Produce
Newcastle Jockey Club
Newcastle Herald
Newcastle Permanent Building Society
Newcastle Roofing Industries
Newcastle Scafflink Pty Limited
Newcastle Stevedores Pty Limited
NEWFM
Next Gen Sports
NIB Health Funds
Noble Asia Pacific Limited
Northcoast Retail Management
Nova Distributors
OAS Computers
Onesteel Metaland
Onesteel Steel & Tube
Orica Explosives
Owen Signs
Pacific Dreams
Paul Perry Racing
PD Bulbeck Pty Limited
Peach Advertising
Peter McBeath Electrical Pty Limited
PFS Trust
Pinnacle Financial & Investment Services
Planelec Services
Port Hunter Belting
Powerflow Systems Pty Ltd
Prosperity Personal & Corporate Advisers
Pulp
QantasLink
Quizmasters
R L Construction Services
Radio 2HD
Ray White Real Estate Belmont
Raymond Terrace Marketplace
Razer Industries Pty Limited
Ready Workforce
Reardon Real Estate
Reliable Conveyor Belt
RetireInvest
Rexel Australia
Rich Computing
RN & RA Thompson Bulk Haulage Pty Limited
Rovert Pty Ltd
Rutherford Power
S R Shafren Pty Limited
Safe & Sound Self Storage
Serck Control
Seventh Street Caravans
Sharp Electronics Office National
Sharpes Tractor Centre
Sherrin Hire
Sid Fogg & Sons Pty Limited
Skilled Engineering Limited
SMB Engineering
Smithy's Electrical Services Pty Limited
Smorgon Arc
Snapfreeze
South Newcastle Rugby League Club Limited
St George Bank
Stramit Building Products
Street Real Estate
Streets Ice Cream

Knights 2003 Sponsors

Subway

Susan K Walton Optometrist

Telstra Country Wide

Temperzone Quality Air Conditioning

The ARMS Group Pty Ltd

The Educational Experience Pty Limited

The Executive Inn

The Good Guys

Thiess Services

Thomas Mitchell Partners Solicitors

Thrifty Car Rental

Time Records

Toll Logistics Limited

Tolsolo Pty Limited

Tooheys Pty Limited

Tranter Lawyers

Turnbull Hill Lawyers

UAA Insurance

UNAC Australia

United Goninan

Valley Fuel Pty Limited

Valley Homes

Value-Able Development

Valve Pro Services Pty Limited

Valvoline

Veitch Plant Hire Pty Limited

Victor Sports Pty Limited

Video Ezy (The Junction)

W Stronach Pty Limited

Wallsend Pest Control

Wallsend RSL & Community Club Limited

Wattyl Paints

Wayne Roberts Concrete Constructions Pty Limited

Western Suburbs (Newcastle) Leagues Club Limited

WM & EA Sowter

Woodbury's Civil Pty Limited

Woodrising Cellars

Workplace Ergonomic Consultancy Services

York Linings International Pty Limited

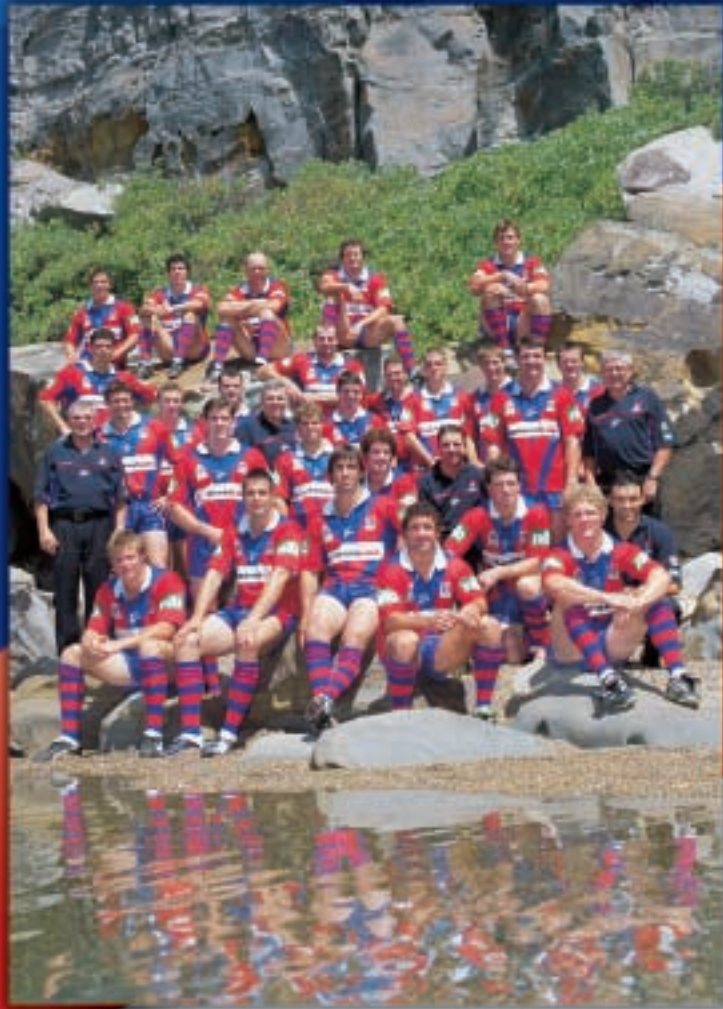


The Spirit of Teamwork. 

CX1EA0076. Qantaslink operated by Eastem - Airlines Pty Ltd ABN 77 001 599 024.



QantasLink proudly sponsors the Newcastle Knights. 



NEWCASTLE KNIGHTS LIMITED

ABN 86 003 363 228

Knights Administration Building
EnergyAustralia Stadium – Turton Road, New Lambton NSW 2305

Phone: 4941 8200 Fax: 4941 8210

Email: knights@newcastleknights.com.au

www.newcastleknights.com.au