

**North Melbourne Football Club Limited**  
ABN 21 006 468 962

Financial Report

Year Ended 31 October 2022



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**North Melbourne Football Club Limited**  
**ABN 21 006 468 962**  
**Directors' Report**

The Board of Directors of North Melbourne Football Club Limited has pleasure in submitting its report on the Company in respect of the financial year ended 31 October 2022.

**Directors**

The following directors were in office during the period from 1 November 2021 to the date of this report, unless otherwise stated:

Sonja Hood	Appointed Director on 23 December 2019 Appointed President on 15 March 2022 Chief Executive Officer – Community Hubs Australia
Paul Dwyer	Appointed Director on 21 February 2018 Founder and Non-Executive Director and Deputy Chairman – PSC Insurance Group
Harry Unglik	Appointed Director on 6 November 2020 General Practitioner – Midtown Medical Clinic
Suzana Ristevski	Appointed Director on 29 July 2021 Chief Marketing Officer - National Australia Bank
Anthony Stevens	Appointed Director on 29 July 2021 President – North Melbourne Past Players and Officials' Association
Andrew Harris	Appointed Director on 15 March 2022 Founder and managing partner of Harris Carlson Lawyers
Rodney Piltz	Appointed Director on 15 March 2022 Managing Partner of Ernst & Young Melbourne Chair of Finance, Audit & Risk Committee
Ben Buckley	Appointed Director on 14 May 2013 Appointed Chairman on 19 October 2016 Managing Director – COSOL Resigned as Chairman and a Director on 15 March 2022
Brady Scanlon	Appointed Director on 17 July 2012 Executive Chairman of Scanlon Capital Resigned as a Director on 15 December 2021

**Company Secretary**

Chris Simmonds	Appointed as Secretary on 5 June 2012
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**Directors' Meetings**

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

Director	Number of meetings attended	Number of meetings eligible to attend
Sonja Hood	10	11
Paul Dwyer	10	11
Harry Unglik	11	11
Suzana Ristevski	10	11
Anthony Stevens	11	11
Andrew Harris	8	8
Rodney Piltz	8	8
Ben Buckley	3	4
Brady Scanlon	2	2

**North Melbourne Football Club Limited**  
**ABN 21 006 468 962**  
**Directors' Report (continued)**

**Committees**

Finance, Audit & Risk Committee – Rodney Piltz (Chair), Paul Dwyer, Glenn Borin

Integrity Committee – Will Houghton KC (Chair), Harry Unglik, Andrew Harris, Rodney Piltz, Suzana Ristevski, Peter Keogh

People & Culture Committee – Lisa Interligi (Chair), Andrea Fischer, Andrew Harris

Independent Nominations Committee – Peter Nash (Chair), Suzana Ristevski, Will Houghton KC

Arden Precinct Committee – Ian Soloman (Chair), Sonja Hood, Paul Dwyer

**Principal Activities**

North Melbourne Football Club Limited is a member of the Australian Football League. The principal activities of the Company during the financial year consisted of promoting the playing of Australian Rules football by providing a team of footballers bearing the name of the North Melbourne Football Club.

There has been no significant change in those activities.

**Objectives and Strategies of the Company**

The Company's short-term objectives (2024) are:

- To meet targets set that will allow the Company to continue to invest in the football department, in particular player payments, which will give us the best opportunity to achieve on-field success.
- To investigate innovative ways to grow football revenue above 2022 levels, in particular membership, whilst also increasing sponsorship, sales, events and fundraising revenue.
- To grow non-football revenue.
- To effectively manage all four teams, including VFL and VFLW.
- To continue to build strong markets of supporters by developing relationships in strategic regions in Victoria, and to continue our relationship with Tasmania.
- To build equity to sustain the club's operations with ongoing supporter and member-driven campaigns involving member contributions, unique events, and products.

The Company's long-term objectives are:

- To deliver sustained on-field success.

To achieve these objectives, the Company has adopted the following strategies:

- To actively engage with members, supporters and communities.
- To explore strategies for new markets while continuing to maintain existing strong Melbourne-based supporter areas.
- To develop a best practice football department.
- To ensure strong and effective financial management along with sound risk management and integrity practices.
- To ensure strong alignment with the AFL and other key stakeholders.
- To attract and retain a high performing workforce that is engaged and connected.
- To participate in the redevelopment of the Arden precinct.

**Operating Results**

The statutory net profit of the Company for the year ended 31 October 2022 was \$6,283,060 (2021: \$810,171).

The underlying net operating profit of the Company was \$685,132 (2021: \$1,023,167) after non-operational items for the year ended 31 October 2022.

	2022	2021
	\$	\$
<b>Statutory net profit</b>	<b>6,283,060</b>	<b>810,171</b>
<u>Add:</u>		
Amortisation of facilities	573,207	569,978
<u>Less:</u>		
Redevelopment funding (1)	(6,171,135)	(356,982)
<b>Underlying Net operating profit</b>	<b>685,132</b>	<b>1,023,167</b>

(1) Our grant funding agreements require that all grant funding received must be spent solely on capital works, comprising the redevelopment of the Club's Arden Street facility. Therefore, the grant revenue has been deemed non-operational.

## **Review of Operations**

2022 was a year of mixed results for the club. The men's team had a disappointing year on-field, however the women's team fared much better in what was a two-season year, playing finals in both season 6 and season 7.

On the men's side, young talent was given opportunity, including debuts for Paul Curtis, Miller Bergman, Jackson Archer, Kallan Dawson, Josh Goater and Jason Horne-Francis. There was continued development of key midfielders Luke Davies-Uniacke and Jy Simpkin, combined with the return of Ben Cunnington at the end of the season, providing optimism to club supporters for improved on-field success in 2023. Ben Cunnington's return to the senior team in round 22 after a health scare was an inspiration to all. Leigh Adams took over as caretaker coach late in the season. A highlight was an inspired win over Richmond in round 18. Jy won back-to-back Syd Barker Medals, with Luke Davies-Uniacke and Bailey Scott having their best seasons, in second and third place. At the end of the season, Josh Walker, Jed Anderson, Kyrion Hayden, Jared Polec, Jason Horne-Francis, Atu Bosenavalugi, Patrick Walker and Matt McGuinness departed the club and we thank them for their contribution.

Season 6 of the AFLW saw the team qualify for finals but unfortunately losing in a qualifying final to Fremantle. During season 6, Tess Craven, Jasmine Ferguson, Kim Rennie, Amy Smith and Alexia Hamilton made their club debuts. Ash Riddell enjoyed the best season of her AFLW career. In round 10, she broke her own previous league record for most disposals in a game with 42. Riddell, along with Emma Kearney and Jasmine Garner, were named in the Season Six All-Australian side after outstanding seasons, with Kearney named captain. Mia King and Isabelle Eddey received nominations for the AFLW Rising Star Award.

The AFLW team continued their strong form into season 7, qualifying for finals and progressing to the preliminary final, only to fall agonisingly short, going down to Melbourne by 17 points. This achievement is further underlined as the club debuted eight players during the season, with Taylah Gatt, Charli Granville, Sophia McCarthy, Erika O'Shea, Vikki Wall, Ella Maurer, Zoe Savarirayan and Hannah Bowey each making their debuts. Jasmine Garner was awarded the AFLCA's Champion Player of the Year award before being named captain of the All-Australian side. Emma Kearney was named in her seventh consecutive All-Australian team, making her the only player to be selected in every All-Australian side in AFLW history. We thank departed players Kaitlyn Ashmore, Daria Bannister, Daisy Bateman, Jess Duffin, Aileen Gilroy, Britt Gibson, Elisha King and Tara Slender for their contribution to the club.

We also congratulate Emma Kearney on her appointment to the newly created role of AFL development coach and coordinator, making her the first female full-time coach in the club's history. This role will see Emma provide support, guidance, and education to the AFL program's 1<sup>st</sup> to 3<sup>rd</sup> year players.

In a year that has come with many challenges, there have also been many highlights and moments to savour off-field. We reached a record membership, re-signed major partner Mazda for a further three years, agreed to a new deal with Spirit of Tasmania, and completed the \$8m stage 2 redevelopment at Arden Street.

From a financial perspective, revenue, excluding redevelopment funding, grew from \$38.9m to \$44.4m. Sponsorship, membership, fundraising and merchandise revenue showed good growth. The club paid up to the football department soft cap limit in both the men's and women's programs.

Alastair Clarkson was appointed senior coach for the next 5 years. North Melbourne Football Club holds a special place in Alastair's heart, and he is passionate and driven to get the club back to contending for silverware. Todd Viney joined the club as GM Football, Brett Ratten will take on a part-time assistant coaching role, and Cam Matthews has become the Head of Football and Operations. We thank David Noble, Dan McPherson, Heath Younie, Anthony Rocca and Glenn Luff for their efforts. A special mention is also made to Mark Finnigan who departed after 17 years' service at Arden Street.

The club wishes to acknowledge the significant contribution made by Ben Amarfo, who departed the club at the end of 2022. Amongst his many achievements in his role as CEO, Ben significantly advanced the club's Arden Precinct strategy, helped secure funding for the stage 2 redevelopment, navigated the club through the COVID pandemic, strengthened ties with key stakeholders and sponsors, and was instrumental in the club becoming debt-free and making an 11<sup>th</sup> successive club profit in 2022. Jennifer Watt will commence as our new CEO in January 2023. Jennifer has extensive AFL experience, having spent 14 years at Melbourne Football Club, and for the last five years managing the commercial operations of the Melbourne Cricket Club.

Lastly, the club is very thankful for the support and belief shown by all members and supporters in 2022, which has been outstanding. We are also appreciative of the ongoing support from our coterie members, player sponsors and all partners, especially Mazda and Spirit of Tasmania.

**Significant changes in the State of Affairs**

There were no significant changes in the state of affairs of the Company during the financial year.

**Significant Events after Year End**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to the financial year ended 31 October 2022.

**Dividends**

The constitution of the North Melbourne Football Club Limited prohibits the payment of dividends. No dividends were declared or paid during the year.

**Rounding of Amounts**

The North Melbourne Football Club Limited is a type of Company referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and therefore the amounts contained in the financial report have been rounded to the nearest dollar.

**Likely developments**

Information on likely developments in the Company's operations and the expected results have not been included in this report because there are no known future developments that will have a material impact on future operations.

**Environmental regulation**

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


**Indemnification of Officers and Auditors**

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer or auditor of the Company or of a related body corporate indemnified against a liability incurred as an officer, including costs and expenses in defending legal proceedings.

**Auditor Independence**

The directors received the declaration on page 5 from the auditor of North Melbourne Football Club Limited which forms part of this report.

This report has been made in accordance with a resolution of directors.



Sonja Hood (President)



Rodney Piltz (Director / Chairman – Finance  
Audit & Risk Committee)

Dated: 14 December 2022

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**Grant Thornton Audit Pty Ltd**

Level 22 Tower 5  
Collins Square  
727 Collins Street  
Melbourne VIC 3008  
GPO Box 4736  
Melbourne VIC 3001  
T +61 3 8320 2222

## Auditor's Independence Declaration

### To the Directors of North Melbourne Football Club Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of North Melbourne Football Club Limited for the year ended 31 October 2022, I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance  
Melbourne, 14 December 2022

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North Melbourne Football Club Limited

ABN 21 006 468 962

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 October 2022**

	Notes	2022	2021
		\$	\$
Revenue	3	50,544,780	39,268,201
<u>Expenses</u>			
Administration expenses		7,546,777	6,152,055
Commercial business, events and fundraising		2,256,890	1,650,909
Depreciation	4	240,822	299,470
Football operations		27,019,553	23,647,156
Membership		2,226,266	2,038,237
Merchandise		757,381	497,799
Sales and sponsorship		3,304,330	3,304,008
Finance costs		88,650	102,225
Amortisation on Arden Street facility	4	573,207	569,978
Other expenses		247,844	196,193
<b>Total expenses</b>		<b>44,261,720</b>	<b>38,458,030</b>
<b>Net profit for the period</b>		<b>6,283,060</b>	<b>810,171</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>6,283,060</b>	<b>810,171</b>
<b>Attributable to:</b>			
Members of North Melbourne Football Club Limited		<b>6,283,060</b>	<b>810,171</b>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



North Melbourne Football Club Limited  
ABN 21 006 468 962  
**Statement of Financial Position**  
**As at 31 October 2022**

	Notes	2022 \$	2021 \$
<b>Current Assets</b>			
Cash and cash equivalents	6	1,414,276	5,801,367
Trade and other receivables	7	250,881	62,633
Inventories	8	227,637	27,213
Other assets	9	357,443	664,816
<b>Total Current Assets</b>		<b>2,250,237</b>	<b>6,556,029</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	10(a)	23,940,188	17,824,433
Right-of-use assets	10(b)	1,436,544	1,552,869
<b>Total Non-Current Assets</b>		<b>25,376,732</b>	<b>19,377,302</b>
<b>Total Assets</b>		<b>27,626,969</b>	<b>25,933,331</b>
<b>Current Liabilities</b>			
Trade and other payables	11	2,461,658	3,030,333
Lease liabilities	13	119,481	113,411
Employee benefits	14(a)	725,081	861,841
Contract liabilities	15	3,987,416	7,773,299
<b>Total Current Liabilities</b>		<b>7,293,636</b>	<b>11,778,884</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	13	1,409,561	1,504,550
Employee benefits	14(b)	43,293	52,478
<b>Total Non-Current Liabilities</b>		<b>1,452,854</b>	<b>1,557,028</b>
<b>Total Liabilities</b>		<b>8,746,490</b>	<b>13,335,912</b>
<b>Net Assets</b>		<b>18,880,479</b>	<b>12,597,419</b>
<b>Equity</b>			
Members funds		3,588,608	3,588,608
Accumulated profits		15,291,871	9,008,811
<b>Total Equity</b>		<b>18,880,479</b>	<b>12,597,419</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

North Melbourne Football Club Limited  
ABN 21 006 468 962  
**Statement of Changes in Equity**  
**For the year ended 31 October 2022**

	<b>Member funds</b>	<b>Accumulated profits</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 November 2020</b>	<b>3,588,608</b>	<b>8,198,640</b>	<b>11,787,248</b>
Total Comprehensive Income for the period	-	810,171	810,171
<b>Balance at 31 October 2021</b>	<b>3,588,608</b>	<b>9,008,811</b>	<b>12,597,419</b>
<b>Balance at 1 November 2021</b>	<b>3,588,608</b>	<b>9,008,811</b>	<b>12,597,419</b>
Total Comprehensive Income for the period	-	6,283,060	6,283,060
<b>Balance at 31 October 2022</b>	<b>3,588,608</b>	<b>15,291,871</b>	<b>18,880,479</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

North Melbourne Football Club Limited  
ABN 21 006 468 962  
**Statement of Cash Flows**  
**For the year ended 31 October 2022**

	Notes	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from club operations		46,273,429	43,763,735
Payments to suppliers and employees		(43,686,994)	(37,007,829)
Interest received		7,656	198
Interest and other finance costs paid		(88,650)	(102,225)
<b>Net operating cash flows</b>		<b>2,505,441</b>	<b>6,653,879</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10(a)	(6,853,567)	(488,375)
<b>Net cash flows used in investing activities</b>		<b>(6,853,567)</b>	<b>(488,375)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(38,965)	(104,022)
Repayment of borrowings		-	(400,000)
<b>Net cash flows used in financing</b>		<b>(38,965)</b>	<b>(504,022)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>(4,387,091)</b>	<b>5,661,482</b>
Cash and cash equivalents at the beginning of the financial year		5,801,367	139,885
<b>Cash and cash equivalents at the end of the financial year</b>	6	<b>1,414,276</b>	<b>5,801,367</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**North Melbourne Football Club Limited**  
**ABN 21 006 468 962**  
**Notes to the Financial Statements**  
**For the year ended 31 October 2022**

**NOTE 1 - CORPORATE INFORMATION**

The financial report of North Melbourne Football Club Limited (the Company) for the year ended 31 October 2022 was authorised for issue in accordance with a resolution of the directors 14 December 2022.

North Melbourne Football Club Limited is a company limited by members' guarantee. Members shall not be required to contribute any funds to the Club upon winding up, in excess of the amount payable by the Members for an annual subscription. Members are not entitled to be paid or to receive distributions, upon winding up, if there are excess funds following the satisfaction of all debts and liabilities.

**NOTE 2 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies that have been adopted in the preparation and presentation of this financial report are:

**(a) Basis of preparation**

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for not for-profit entities. The financial report is prepared on a historical cost basis, modified by the revaluation of selected non-current assets, financial assets and liabilities for which the fair value basis of accounting has been applied.

The financial statements are presented in Australian dollars (AUD), which is also the functional currency of the Company.

**(b) Adoption of new and revised accounting standards**

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity. The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

*AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

The consolidated entity has adopted AASB 1060 from 1 November 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

*Conceptual Framework for Financial Reporting (Conceptual Framework)*

The consolidated entity has adopted the revised Conceptual Framework from 1 November 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

**(c) Accounting standards not yet effective**

The adoption of all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and not yet effective for the current reporting period, are not expected to have a significant impact on the financial performance or position of the Company.

**(d) Critical accounting estimates and judgements**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

**(e) Income tax**

Income tax has not been provided for in the financial statements of the Company as it is a tax-exempt sporting organisation in accordance with Section 50-45 of the Income Tax Assessment Act 1997.

**North Melbourne Football Club Limited**  
**ABN 21 006 468 962**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 October 2022**  
**(f) Going concern**

The financial report has been prepared on the basis that the Company is a going concern.

**(g) Investments in associates**

Associates are those entities over which the Company is able to exert significant influence but which are not subsidiaries.

Investments in associates are accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Company's share in the associate is not recognised separately and is included in the amount recognised as investment. The carrying amount of the investment in associates are increased or decreased to recognise the Company's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Company. Unrealised gains and losses on transactions between the Company and its associates are eliminated to the extent of the Company's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

**(h) Property, plant & equipment**

Each class of property, plant and equipment is carried at cost, less any accumulated depreciation and impairment losses.

**Plant & equipment**

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Leasehold improvements	3 - 7%
Plant and equipment	5 - 33%
Right-of-use assets	3 – 20%

**Impairment**

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

**(i) Cash and cash equivalents**

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash at bank, on deposit with associated companies and on hand.

Bank overdrafts are shown within the interest-bearing liabilities section of the statement of financial position.

**(j) Financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

**North Melbourne Football Club Limited**  
**ABN 21 006 468 962**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 October 2022**

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

**Recognition**

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

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less an allowance for impairment.

Interest is recognised by applying the effective interest rate.

Amounts recognised using the percentage of completion method of accounting are shown as accrued revenue service fees. The outstanding balance of accrued revenue service fees is reviewed monthly for collectability and all items not considered collectable are written off.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**(k) Employee benefits**

***Short-term benefits***

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

***Other long-term employee benefits***

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government's bonds at the balance sheet date which have maturity dates approximating to terms of the Company's obligations.

As a result of a federally certified long service leave agreement between the players and the Australian Football League, the Company has no obligation for long service leave benefits to players.

***Superannuation***

The Company contributes to a defined contribution employee superannuation plan. Contributions are recognised as an expense in the statement of profit or loss as they are made.

**(l) Inventories**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Costs have been assigned to inventory quantities on hand at balance date using weighted average cost per unit.

**North Melbourne Football Club Limited**  
**ABN 21 006 468 962**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 October 2022**

**(m) Revenue**

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to members and customers. For each contract with a member/ customer, the Company: identifies the contract with a member/customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the member/customer of the goods or services promised.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue for the following is recognised as follows:

- AFL-sourced income including distributions, future funding, prize money and gate receipts is recognised on an accruals basis in line with the relevant performance obligations.
- Membership revenue is recognised on a monthly basis throughout the duration of the relevant football year in line with the memberships purchased.
- Revenue from the sale of corporate hospitality and sponsorships is recognised in the relevant football year. Match day revenue is recognised at the conclusion of each AFL home game.
- Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, generally upon delivery of goods to the customer.
- Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
- Grant funds received by the Company that have sufficiently specific and enforceable performance obligations, in accordance with AASB 15, are recognised as a contract liability on receipt and are recognised as revenue, over time, as the Company satisfies its performance obligations.
- Grant funds received by the Company that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of the funds in accordance with AASB 1058.
- Donations, fundraising, wills and bequest income is recognised when the Company gains control of the funds and when the funds provided do not give rise to an obligation

**(n) Goods and services tax (GST)**

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 cost of acquisition of the asset or as a part of the item of expense. Receivables and payables are stated with the amount of GST included. 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 cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(o) Trade and other receivables**

***Receivables***

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

***Impairment of financial assets***

The Company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that

**North Melbourne Football Club Limited**  
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**For the year ended 31 October 2022**

credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of

anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate. Movements in the loss allowance are recognised in profit or loss.

**(p) Trade and other payables**

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

**(q) Income received in advance**

Income is brought to account in the period to which it relates. Income received prior to balance date, which relates to future periods, has been recorded as income received in advance, and will be brought to account in the forthcoming period.

**(r) Comparative figures**

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

**(s) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(t) Interest bearing liabilities and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred. The Company does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with this asset would be capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

**(u) Contract assets and liabilities**

Differences between the value of receipts from customers and the revenue recognised from contracts with customers are recognised as contract assets/liabilities at the end of each reporting period.

**(v) Leases**

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter.

Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.



**North Melbourne Football Club Limited**  
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**Notes to the Financial Statements (continued)**  
**For the year ended 31 October 2022**

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down. The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the profit or loss. Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of profit or loss on a straight-line basis over the lease term. Lease incentives are recognised in the statement of profit or loss as an integral part of the total lease expense.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3 – REVENUE</b>		
AFL – Distributions	10,049,973	10,446,432
AFL – Future Funding	7,100,000	4,089,104
AFL – Signage	945,239	922,185
AFL – AFLW Funding	1,668,858	883,030
Commercial Business, Events and Fundraising	2,963,510	2,269,609
Gate Receipts	766,847	1,411,947
Membership	5,923,405	5,488,318
Merchandise	1,109,050	456,014
Sales and Sponsorship	12,483,752	10,802,529
Redevelopment government funding	6,171,135	356,982
JobKeeper government funding	-	1,038,350
Other	1,363,011	1,103,701
	<b>50,544,780</b>	<b>39,268,201</b>

North Melbourne Football Club Limited  
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**Notes to the Financial Statements (continued)**  
**For the year ended 31 October 2022**

	2022	2021
	\$	\$
<b>NOTE 3 – REVENUE (CONTINUED)</b>		
<i>Timing of Revenue Recognition</i>		
- Goods and service transferred at a point in time	38,450,240	33,422,901
- Services transferred over time	12,094,540	5,845,300
	<b>50,544,780</b>	<b>39,268,201</b>

**NOTE 4 – EXPENSES AND LOSSES/(GAINS)**

Profit from continuing operations is arrived at after charging the following expenses:

*a) Depreciation of non-current assets*

- Plant & Equipment	161,207	218,783
- Right-of-use assets	79,615	80,687
	<b>240,822</b>	<b>299,470</b>

*Amortisation of non-current assets*

- Amortisation of Leasehold Improvements	573,207	569,978
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<b>Total depreciation &amp; amortisation expense</b>	<b>814,029</b>	<b>869,448</b>
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**NOTE 5 – AUDITOR'S REMUNERATION**

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Company:

- auditing the accounts	49,000	42,500
- other services – total player payments audit	12,000	11,500
	<b>61,000</b>	<b>54,000</b>

The auditors, Grant Thornton Audit Pty Ltd, received no other benefits.

**NOTE 6 – CASH AND CASH EQUIVALENTS**

Cash at bank and on hand	817,509	1,908,349
Cash held for the facility redevelopment	596,767	3,893,018
<b>Total cash and cash equivalents</b>	<b>1,414,276</b>	<b>5,801,367</b>

The effective interest rate on bank deposits was 0.32% (2021: 0.00%). These deposits have no maturity date.

**NOTE 7 – TRADE AND OTHER RECEIVABLES**

**Current**

Trade receivables	111,463	26,139
Allowance for expected credit losses	-	-
	<b>111,463</b>	<b>26,139</b>
GST receivable	131,246	31,655
Other debtors	8,172	4,839
<b>Total trade and other receivables</b>	<b>250,881</b>	<b>62,633</b>

**NOTE 7 – TRADE AND OTHER RECEIVABLES (CONT.)**

Trade receivables have been aged according to their original due date in the below ageing analysis, including where repayment terms for certain long outstanding trade receivables have been renegotiated.

We have used the following basis to assess the doubtful debt required for trade receivables:

- an individual account by account assessment based on past credit history;
- any prior knowledge of debtor insolvency or other credit risk; and
- working with sales staff on a weekly basis to assess past due to determine recoverability.

As at 31 October 2022, trade receivables with a carrying amount of \$43,102 (2021: \$8,250) for the Company were past due but not doubtful. These trade receivables are not considered doubtful as they comprise customers with good debt history and are therefore considered recoverable.

The ageing of the trade receivables is:

	<b>2022 Gross</b>	<b>2022 Allowance</b>	<b>2021 Gross</b>	<b>2021 Allowance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Not past due	68,361	-	17,889	-
Past due 0-30 days	29,964	-	-	-
Past due 31-60 days	739	-	-	-
Past due 60 days	12,399	-	8,250	-
<b>Total</b>	<b>111,463</b>	<b>-</b>	<b>26,139</b>	<b>-</b>

The age of receivables past due but not impaired is as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Not more than 3 months	40,682	-
More than 3 months but not more than 6 months	2,420	8,250
More than 6 months but not more than 1 year	-	-
<b>Total</b>	<b>43,102</b>	<b>8,250</b>

**North Melbourne Football Club Limited**  
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**Notes to the Financial Statements (continued)**  
**For the year ended 31 October 2022**

<b>NOTE 8 – INVENTORIES</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Roo Shop merchandise – at lower of cost and net realisable value	227,637	27,213

**NOTE 9 – OTHER ASSETS**

Prepayments	75,160	95,859
Unexpired contra	12,977	9,777
Accrued income	235,309	3,600
Arden Street Facility Capital Fund – Refer to Note 9(a)	33,997	555,580
<b>Total other assets</b>	<b>357,443</b>	<b>664,816</b>

(a) As part of the licence fee with City of Melbourne for the North Melbourne Recreation Reserve, the Company must contribute a proportion to a joint Capital Fund established and maintained by the landlord to provide for maintenance of the structure of the facility or for the carrying out of capital repairs and replacement of items of a capital nature. The other joint tenants, Fencing Victoria and City of Melbourne also contribute to the Capital Fund. During 2022, amounts from this fund were applied to the redevelopment.

**NOTE 10 – NON-CURRENT ASSETS**

**10(a) – Property, Plant and Equipment**

Plant & Equipment – at cost	2,555,103	2,492,201
Less: Accumulated Depreciation	(2,016,143)	(1,887,016)
	<b>538,960</b>	<b>605,185</b>
Leasehold Buildings – at cost	21,900,689	21,900,118
Less: Accumulated Amortisation	(5,611,630)	(5,037,852)
	<b>16,289,059</b>	<b>16,862,266</b>
Capital Works in Progress – at cost	<b>7,112,169</b>	<b>356,982</b>
<b>Total property, plant and equipment</b>	<b>23,940,188</b>	<b>17,824,433</b>

North Melbourne Football Club Limited  
ABN 21 006 468 962  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 October 2022**

	2022	2021
	\$	\$

**Reconciliations**

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

*Plant & Equipment*

Carrying amount at beginning	605,185	805,475
Additions	98,380	131,393
Write-offs	(3,398)	(112,900)
Depreciation expense	(161,207)	(218,783)
	<b>538,960</b>	<b>605,185</b>

*Leasehold Buildings*

Carrying amount at beginning	16,862,266	17,431,673
Additions	-	571
Amortisation expense	(573,207)	(569,978)
	<b>16,289,059</b>	<b>16,862,266</b>

*Capital Works in Progress*

Carrying amount at beginning	356,982	-
Additions	6,755,187	356,982
	<b>7,112,169</b>	<b>356,982</b>

*Total Assets & Leasehold Buildings*

Carrying amount at beginning	17,824,433	18,237,719
Additions	6,853,567	488,375
Write-offs	(3,398)	(112,900)
Depreciation & amortisation expense	(734,414)	(788,761)
	<b>23,940,188</b>	<b>17,824,433</b>

**NOTE 10(b) – Right-of-use assets**

Right-of-use asset – at cost	1,690,839	1,727,550
Less: Accumulated Depreciation	(254,295)	(174,681)
	<b>1,436,544</b>	<b>1,552,869</b>

*Reconciliation of the carrying amounts of Right-of-use assets at the beginning and end of the current financial year.*

*Leasehold Land*

Carrying amount at beginning	1,451,228	1,440,555
Re-measurement of leasehold land	(36,711)	52,549
Depreciation expense	(40,803)	(41,876)
	1,373,714	1,451,228

**North Melbourne Football Club Limited**  
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**Notes to the Financial Statements (continued)**  
**For the year ended 31 October 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>IT Infrastructure</i>		
Carrying amount at beginning	101,641	140,452
Depreciation expense	(38,811)	(38,811)
	<u>62,830</u>	<u>101,641</u>
<i>Total Right-of-use assets</i>		
Carrying amount at beginning	1,552,869	1,581,007
Re-measurement of Right-of-use assets	(36,710)	52,549
Depreciation expense	(79,615)	(80,687)
	<u><b>1,436,544</b></u>	<u><b>1,552,869</b></u>

**NOTE 11 – TRADE AND OTHER PAYABLES**

Trade creditors	570,225	283,849
Accruals	1,891,433	2,746,484
<b>Total trade and other payables</b>	<u><b>2,461,658</b></u>	<u><b>3,030,333</b></u>

**NOTE 12 – INTEREST BEARING LIABILITIES**

Commercial bill – secured	-	-
	<u>-</u>	<u>-</u>

The bank facilities are secured by a registered mortgage debenture over all assets of North Melbourne Football Club Limited, a specific fixed mortgage debenture charge from North Melbourne Football Club Limited, and a limited guarantee from the Australian Football League. The undrawn financial facilities at balance date were \$3 million. The current facility is in place until 31/12/2022, with a 12-month extension to 31/12/2023 in progress.

Facilities available at year end	3,000,000	3,000,000
Amounts drawn at year end	-	-
Available undrawn facilities at year end	<u>3,000,000</u>	<u>3,000,000</u>

North Melbourne Football Club Limited  
ABN 21 006 468 962  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 October 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 13 – LEASE LIABILITIES</b>		
Lease liability - current	119,481	113,411
Lease liability – non-current	1,409,561	1,504,550
	<u>1,529,042</u>	<u>1,617,961</u>

*Leasehold Land*

Balance at the beginning of the year	1,522,038	1,483,554
Re-measurement of lease liability	(36,710)	52,549
Payments	(79,618)	(71,228)
Interest	62,518	57,163
	<u>1,468,228</u>	<u>1,522,038</u>

*IT infrastructure*

Balance at the beginning of the year	95,923	128,699
Payments	(40,653)	(40,663)
Interest	5,544	7,887
	<u>60,814</u>	<u>95,923</u>
	<u>1,529,042</u>	<u>1,617,961</u>

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>

**NOTE 14 – EMPLOYEE BENEFITS**

**(a) Current**

Provision for annual leave	395,399	553,184
Provision for long service leave	329,682	308,657
	<u>725,081</u>	<u>861,841</u>

**(b) Non-Current**

Provision for long service leave	43,293	52,478
<b>Total employee benefits</b>	<u>768,374</u>	<u>914,319</u>

North Melbourne Football Club Limited  
ABN 21 006 468 962  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 October 2022**

	2022	2021
	\$	\$

**NOTE 15 – CONTRACT LIABILITIES**

**Current**

Sponsorship	871,043	1,586,663
Facility redevelopment	596,767	3,893,018
Membership	2,427,631	2,218,638
Other	91,975	74,980
Total contract liabilities	<b>3,987,416</b>	<b>7,773,299</b>

Contract liabilities include:

- Memberships received in advance of the 2023 AFL season
- Sponsorship instalments received in advance of the 2023 AFL season
- Facility redevelopment grant received from the Victorian Government. Refer to Note 6 for the cash on hand relating to the facility redevelopment grant.

**NOTE 16 - COMMITMENTS**

**Remuneration Commitments**

The Company negotiates individual contracts of varying length and terms for each of its football players and coaching staff. Certain players are entitled to receive base payments regardless of their level of performance or number of games played, as well as entitlements should player employer contracts be terminated before expiry. Other players and coaching staff are entitled to performance related payments. As contract terms in this regard vary considerably, with some future payments being dependent upon number of matches played, level of performance, whether players remain on approved lists and whether contracts are terminated early, it is not practical to estimate the total future commitments or contingencies under player and coaching contracts.

However, at balance sheet date, base contractual commitments are payable as follows:

	2022	2021
	\$	\$
Not later than one year	11,801,750	10,175,694
Later than one year and not later than five years	13,029,500	11,603,000
Later than five years	420,000	-
	<b>25,251,250</b>	<b>21,778,694</b>

**NOTE 17 – RELATED PARTY TRANSACTIONS**

The Company's related parties include its associates and key management. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

**(a) Remuneration of Key Management Personnel**

*(i) Remuneration Policy*

The directors are responsible for determining and reviewing compensation arrangements for the Key Management Personnel (KMP). The directors assess the appropriateness of the compensation by reference to relevant employment market conditions with the overall objective of maximising stakeholder



North Melbourne Football Club Limited  
ABN 21 006 468 962  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 October 2022**

**NOTE 17 – RELATED PARTY TRANSACTIONS (CONT.)**

benefit from the retention of a high-quality executive team. The executive team have the opportunity to receive their compensation in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans.

*(ii) Remuneration Paid to Key Management Personnel*

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Aggregate Compensation	1,514,091	1,189,413

**(b) Transactions with related parties**

The following transactions occurred with the Company's related party the Shinboners Foundation Trust:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
- Fundraising fee received	54,695	61,127
- Donations received	14,250	-
Total related party transactions - Income	<b>68,945</b>	<b>61,127</b>

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions.

**NOTE 18 – EVENTS AFTER THE BALANCE SHEET DATE**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**NOTE 19 – ECONOMIC DEPENDENCY**

A significant portion of the income of the Company is derived from the holding of a licence issued by the Australian Football League.

The Company is dependent upon the continued financial support from the AFL which includes annual funding payments, the continued guarantee of the Company's borrowing facilities totalling \$3m (nil drawn down) and the availability of credit.

**NOTE 20 – COMPANY DETAILS**

North Melbourne Football Club Limited is incorporated in Australia.

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

North Melbourne Football Club Limited  
204-206 Arden Street  
North Melbourne VIC 3051

**NOTE 21 – FINANCIAL INSTRUMENT RISK MANAGEMENT**

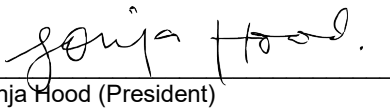
The Company's financial instruments consist mainly of cash, deposits with banks and commercial bills. The Company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the period, the Company's policy that no trading in financial instruments or derivatives shall be undertaken.

## **Directors' Declaration**

The directors of North Melbourne Football Club Limited declare that:

- (1) In the opinion of the directors:
  - (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the Company's financial position as at 31 October 2022 and of its performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards Simplified Disclosures (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

  
\_\_\_\_\_  
Sonja Hood (President)  
\_\_\_\_\_  
Rodney Piltz (Director / Chairman – Finance, Audit & Risk Committee)

Dated: 14 December 2022

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**Grant Thornton Audit Pty Ltd**  
Level 22 Tower 5  
Collins Square  
727 Collins Street  
Melbourne VIC 3008  
GPO Box 4736  
Melbourne VIC 3001  
T +61 3 8320 2222

## Independent Auditor's Report

### To the Members of North Melbourne Football Club Limited

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of North Melbourne Football Club Limited (the Company), which comprises the statement of financial position as at 31 October 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Company's financial position as at 31 October 2022 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.

##### Basis for opinion

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

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

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### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 October 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

### Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standard – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial report

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

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

Grant Thornton Audit Pty Ltd  
Chartered Accountants

T S Jackman  
Partner – Audit & Assurance

Melbourne, 14 December 2022