FINANCIAL REPORT

Year Ended 31 October 2023

North Melbourne Football Club Limited
ABN 21 006 468 962

CONTENTS

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 2023.

Directors

The following directors were in office during the period from 1 November 2022 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 Director – Anthony Stevens Real Estate
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
Selina Lightfoot	Appointed Director on 20 September 2023 Non-Executive Director of Hydro Tasmania, Nuchev Limited and Tasmanian Development and Resources

Company Secretary

Chris Simmonds	Appointed as Secretary on 5 June 2012

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	7	11
Harry Unglik	11	11
Suzana Ristevski	9	11
Anthony Stevens	10	11
Andrew Harris	11	11
Rodney Piltz	11	11
Selina Lightfoot	1	1

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, Todd Viney

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

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

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 2023 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 2023 was $269,853 (2022: $6,283,060).

The underlying net operating profit of the Company was $318,733 (2022: $685,132) after non-operational items for the year ended 31 October 2023.

	2023 $	2022 $
Statutory net profit	**269,853**	**6,283,060**
Add:		
Amortisation of facilities	845,647	573,207
Less:		
Redevelopment funding (1)	(796,767)	(6,171,135)
Underlying Net operating profit	**318,733**	**685,132**

(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.

Directors' Report (continued)

Review of Operations

The past 12 months has seen a contrast in the fortunes of the club's two elite programs, with the AFLW team qualifying for finals in both seasons 7 & 8 and the AFL team winning three games in 2023.

The AFLW team for season 8 was bolstered by the acquisition of experienced quartet Kate Shierlaw, Eliza Shannon, Lulu Pullar and Ruby Tripodi, who each made an immediate impact on the team's fortunes.

Jasmine Garner was again named AFLCA Player of Year for season 8 and four players were included in the All-Australian squad – Garner, Emma Kearney, Ash Riddell and Jasmine Ferguson.

On the AFL front, for the first time in the club's history we had joint captains, Jy Simpkin and Luke McDonald. Yorta Yorta man Simpkin created further history by being the club's first-ever Indigenous captain.

Alastair Clarkson's first season in charge started on a positive note, with the team winning the first two matches of the season. It became tougher from this point, with the next win coming in the final game (round 24) of the season. This victory was just reward for the hard work and spirit the players, coaches and staff maintained across a challenging season.

There was no tougher time during the season than when coach Alastair Clarkson was forced to take leave on account of the mental and physical toll from the Hawthorn racism investigation. Assistant Coach Brett Ratten stepped up admirably to coach the team in Alastair's absence. After initially joining the coaching team in a part-time capacity, the club was fortunate to have a steady hand to step in as interim coach in 10 AFL games.

Nevertheless, the AFL team saw some highs during 2023 with first-year players Harry Sheezel, Blake Drury, George Wardlaw and Cooper Harvey making their debuts, along with the club debuts of experienced players Griffin Logue, Liam Shiels, Darcy Tucker and Daniel Howe.

Of the debutants, Sheezel shone brightest, incredibly winning the club's best & fairest player award (Syd Barker Medal) while also taking out the AFL Rising Star Award, the club's first since Byron Pickett in 1998. George Wardlaw and Eddie Ford also received rising star nominations in 2023.

Forward Nick Larkey (71 goals) rounded out the individual accolades by claiming his first All-Australian blazer.

In a further show of optimism for the future, Simpkin and Larkey both signed contract extensions with the club to 2029, while Sheezel and Wardlaw have committed until at least the end of 2026.

In terms of player farewells, the club said goodbye to greats Jack Ziebell, Ben Cunnington and Todd Goldstein, the latter of whom played his 300th AFL match this year. The club thanks them for their enormous contributions to the club both on and off the field during their long careers.

The recruiting team used the first-round compensation for departing free agent Ben McKay, plus the selections tied to an assistance package from the AFL, to bring in five first-round draft selections. These included exciting prospects, Colby McKercher and Zane Duursma, at picks two and four.

Long-time head of development Gavin Brown, as well as former premiership player and defensive coach, John Blakey, midfield coach Jordan Russell, and Brett Ratten have also departed, and we thank them for their contributions to the club.

Off the field, long-time football and sports administrator Jennifer Watt became North Melbourne's first female CEO when she started at the club in January 2023. Experienced company director Selina Lightfoot also joined the club's board in September 2023.

From a financial perspective, the club recorded a 12th consecutive profit. Total revenue, excluding redevelopment funding, grew from $44.4m to $49.8m. Membership achieved a record of 51,084 members with strong revenue growth of $1m.

Lastly, the club is very thankful for the outstanding support and belief shown by all members and supporters in 2023. The club is appreciative of the ongoing support from coterie members, player sponsors and all partners, especially Mazda and Spirit of Tasmania. During 2023, Mazda embarked on its 25th year of association with the club. The Spirit of Tasmania partnership has played a key role in supporting the club's four home AFL matches in Hobart each year as well as two AFLW matches, one each in Hobart and Launceston.

Directors' Report (continued)

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 2023.

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 consolidated 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: 29 November 2023

Grant Thornton

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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 2023, 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 29 November 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 October 2023

	Notes	2023	2022
		$	$
Revenue	3	**50,605,077**	**50,544,780**
Expenses			
Administration expenses		8,077,387	7,546,777
Commercial business, events and fundraising		2,580,777	2,256,890
Depreciation	4	206,164	240,822
Football operations		30,705,786	27,019,553
Membership		2,820,553	2,226,266
Merchandise		1,001,216	757,381
Sales and sponsorship		3,934,263	3,304,330
Finance costs		100,009	88,650
Amortisation on Arden Street facility	4	845,647	573,207
Other expenses		63,422	247,844
Total expenses		**50,335,224**	**44,261,720**
Net profit for the period		**269,853**	**6,283,060**
Other comprehensive income		-	-
Total comprehensive income		**269,853**	**6,283,060**
Attributable to:			
Members of North Melbourne Football Club Limited		**269,853**	**6,283,060**

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

Consolidated Statement of Financial Position
As at 31 October 2023

	Notes	2023	2022
		$	$
Current Assets			
Cash and cash equivalents	6	2,661,388	1,414,276
Trade and other receivables	7	238,681	250,881
Inventories	8	477,224	227,637
Other assets	9	601,877	357,443
Total Current Assets		**3,979,170**	**2,250,237**
Non-Current Assets			
Property, plant and equipment	10(a)	24,497,238	23,940,188
Right-of-use assets	10(b)	1,242,777	1,436,544
Total Non-Current Assets		**25,740,015**	**25,376,732**
Total Assets		**29,719,185**	**27,626,969**
Current Liabilities			
Trade and other payables	11	3,629,450	2,461,658
Lease liabilities	13	110,659	119,481
Employee benefits	14(a)	728,552	725,081
Contract liabilities	15	4,770,938	3,987,416
Total Current Liabilities		**9,239,599**	**7,293,636**
Non-Current Liabilities			
Lease liabilities	13	1,252,015	1,409,561
Employee benefits	14(b)	77,239	43,293
Total Non-Current Liabilities		**1,329,254**	**1,452,854**
Total Liabilities		**10,568,853**	**8,746,490**
Net Assets		**19,150,332**	**18,880,479**
Equity			
Members funds		3,588,608	3,588,608
Accumulated profits		15,561,724	15,291,871
Total Equity		**19,150,332**	**18,880,479**

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

Consolidated Statement of Changes in Equity
For the year ended 31 October 2023

	Member funds	Accumulated profits	Total Equity
	$	$	$
Balance at 1 November 2021	**3,588,608**	**9,008,811**	**12,597,419**
Total Comprehensive Income for the period	-	6,283,060	6,283,060
Balance at 31 October 2022	**3,588,608**	**15,291,871**	**18,880,479**
Balance at 1 November 2022	**3,588,608**	**15,291,871**	**18,880,479**
Total Comprehensive Income for the period	-	269,853	269,853
Balance at 31 October 2023	**3,588,608**	**15,561,724**	**19,150,332**

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

Consolidated Statement of Cash Flows
For the year ended 31 October 2023

	Notes	2023	2022
		$	$
Cash flows from operating activities			
Receipts from club operations		51,471,272	46,273,429
Payments to suppliers and employees		(48,508,089)	(43,686,994)
Interest received		44,465	7,656
Interest and other finance costs paid		(100,009)	(88,650)
Net operating cash flows		**2,907,639**	**2,505,441**
Cash flows from investing activities			
Purchase of property, plant and equipment	10(a)	(1,535,943)	(6,853,567)
Net cash flows used in investing activities		**(1,535,943)**	**(6,853,567)**
Cash flows from financing activities			
Repayment of lease liabilities		(124,584)	(38,965)
Proceeds from borrowings		700,000	-
Repayment of borrowings		(700,000)	-
Net cash flows used in financing		**(124,584)**	**(38,965)**
Net increase/(decrease) in cash and cash equivalents held		1,247,112	(4,387,091)
Cash and cash equivalents at the beginning of the financial year		1,414,276	5,801,367
Cash and cash equivalents at the end of the financial year	6	**2,661,388**	**1,414,276**

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

Notes to the Consolidated Financial Statements
For the year ended 31 October 2023

NOTE 1 - CORPORATE INFORMATION

The financial report of North Melbourne Football Club Limited (the Company) and its controlled entity (the Group) for the year ended 31 October 2023 was authorised for issue in accordance with a resolution of the directors on 29 November 2023.

North Melbourne Football Club Limited is a company limited by members' guarantee. Members shall not be required to contribute any funds to the Company 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 consolidated financial report is a general-purpose consolidated 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 consolidated 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 consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the Group.

(b) Adoption of new and revised accounting standards

The Group 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 any new, revised or amending standards which are mandatary have not had any material impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(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 Group.

(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) Basis of consolidation

At 31 October 2023, the Group's financial statements are prepared on a consolidated basis. The consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiary as at 31 October 2023. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, noncontrolling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter group balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(f) Income tax

Income tax has not been provided for in the consolidated financial statements as the Company and its wholly owned subsidiary are tax-exempt sporting organisations in accordance with Section 50-45 of the Income Tax Assessment Act 1997.

(g) Going concern

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

(h) 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.

(i) 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 Group 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 Group 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.

North Melbourne Football Club Limited – Annual Financial Report
ABN 21 006 468 962
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 October 2023

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
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.

j) 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.

(k) 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.

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 Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group 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 Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group'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.

(l) 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 Group 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 Group'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 Group's obligations.

As a result of a federally certified long service leave agreement between the players and the Australian Football League, the Group 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.

(m) 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.

(n) Revenue

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to members and customers. For each contract with a member/ customer, the Group: 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 Group 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 Group 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 Group 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 Group gains control of the funds and when the funds provided do not give rise to an obligation.

(o) 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.

(p) 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 Group 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 Group'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 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.

(q) Trade and other payables

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

(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 Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(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 Group 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 Group 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 Group 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.

The Group 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 Group'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 Group 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 Group 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.

North Melbourne Football Club Limited – Annual Financial Report
ABN 21 006 468 962
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 October 2023

	2023	2022
NOTE 3 – REVENUE	**$**	**$**
AFL – Base Distribution	11,438,000	10,049,973
AFL – Funding	8,913,245	7,100,000
AFL – Signage	1,016,134	945,239
AFL – AFLW Funding	2,245,627	1,668,858
Commercial Business, Events and Fundraising	3,099,527	2,963,510
Gate Receipts	1,923,033	766,847
Membership	6,901,887	5,923,405
Merchandise	1,144,850	1,109,050
Sales and Sponsorship	11,494,494	12,483,752
Redevelopment government funding	796,767	6,171,135
Arden Fund contribution	221,219	-
Other	1,410,294	1,363,011
	50,605,077	**50,544,780**

	2023	2022
Timing of Revenue Recognition	**$**	**$**
- Goods and service transferred at a point in time	42,906,423	38,450,240
- Services transferred over time	7,698,654	12,094,540
	50,605,077	**50,544,780**

	2023	2022
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	168,855	161,207
- Right-of-use assets	37,309	79,615
	206,164	240,822
Amortisation of non-current assets		
- Amortisation of Leasehold Improvements	845,647	573,207
Total depreciation & amortisation expense	**1,051,811**	**814,029**

NOTE 5 – AUDITOR'S REMUNERATION	2023 $	2022 $
During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Group:		
- auditing the accounts	55,480	49,000
- other services – total player payments audit	12,500	12,000
- other services – grant acquittal	1,500	-
	69,480	**61,000**

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

NOTE 6 – CASH AND CASH EQUIVALENTS	2023 $	2022 $
Cash at bank and on hand	2,661,388	817,509
Cash held for the facility redevelopment	-	596,767
Total cash and cash equivalents	2,661,388	**1,414,276**

The effective interest rate on bank deposits was 2.66% (2022: 0.32%). These deposits have no maturity date.

NOTE 7 – TRADE AND OTHER RECEIVABLES	2023 $	2022 $
Current		
Trade receivables	111,142	111,463
Allowance for expected credit losses	-	-
	111,142	111,463
GST receivable	100,531	131,246
Other debtors	27,008	8,172
Total trade and other receivables	**238,681**	**250,881**

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 2023, trade receivables with a carrying amount of $31,314 (2022: $43,102) for the Group 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:

	2023 Gross $	2023 Allowance $	2022 Gross $	2022 Allowance $
Not past due	79,828	-	68,361	-
Past due 0-30 days	19,836	-	29,964	-
Past due 31-60 days	-	-	739	-
Past due 60 days	11,478	-	12,399	-
Total	**111,142**	**-**	**111,463**	**-**

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

	2023 $	2022 $
Not more than 3 months	23,656	40,682
More than 3 months but not more than 6 months	512	2,420
More than 6 months but not more than 1 year	7,146	-
Total	**31,314**	**43,102**

NOTE 8 – INVENTORIES	2023 $	2022 $
Roo Shop merchandise – at lower of cost and net realisable value	477,224	227,637

	2023	2022
NOTE 9 – OTHER ASSETS	**$**	**$**
Prepayments	316,410	75,160
Unexpired contra	13,954	12,977
Accrued income	184,091	235,309
Arden Street Facility Capital Fund – Refer to Note 9(a)	87,422	33,997
Total other assets	**601,877**	**357,443**

(a) As part of the licence fee with City of Melbourne for the North Melbourne Recreation Reserve, the Group 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.

	2023	2022
NOTE 10 – NON-CURRENT ASSETS	**$**	**$**
10(a) – Property, Plant and Equipment		
Plant & Equipment – at cost	2,879,662	2,555,103
Less: Accumulated Depreciation	(2,180,952)	(2,016,143)
	698,710	**538,960**
Leasehold Buildings – at cost	30,207,746	21,900,689
Less: Accumulated Amortisation	(6,419,968)	(5,611,630)
	23,787,778	**16,289,059**
Capital Works in Progress – at cost	**10,750**	**7,112,169**
Total property, plant and equipment	**24,497,238**	**23,940,188**

	2023	2022
Reconciliations	**$**	**$**

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

	2023	2022
Plant & Equipment		
Carrying amount at beginning	538,960	605,185
Additions	330,304	98,380
Write-offs	(3,203)	(3,398)
Depreciation expense	(167,352)	(161,207)
	698,709	**538,960**
Leasehold Buildings		
Carrying amount at beginning	16,289,059	16,862,266
Additions	38,874	-
Transfers from Capital Works in Progress	8,268,184	-
Amortisation expense	(808,338)	(573,207)
	23,787,779	**16,289,059**
Capital Works in Progress		
Carrying amount at beginning	7,112,169	356,982
Additions	1,166,765	6,755,187
Transfers to Leasehold Buildings	(8,268,184)	-
	10,750	**7,112,169**
Total Assets & Leasehold Buildings		
Carrying amount at beginning	23,940,188	17,824,433
Additions	1,535,943	6,853,567
Write-offs	(3,203)	(3,398)
Depreciation & amortisation expense	(975,690)	(734,414)
	24,497,238	**23,940,188**

	2023	2022
NOTE 10(b) – Right-of-use assets	**$**	**$**
Right-of-use asset – at cost	1,573,171	1,690,839
Less: Accumulated Depreciation	(330,394)	(254,295)
	1,242,777	**1,436,544**

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

	2023	2022
<u>*Leasehold Land*</u>		
Carrying amount at beginning	1,373,714	1,451,228
Re-measurement of leasehold land	(117,647)	(36,711)
Depreciation expense	(37,309)	(40,803)
	1,218,758	1,373,714

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 October 2023

	2023	2022
	$	$
IT Infrastructure		
Carrying amount at beginning	62,830	101,641
Depreciation expense	(38,811)	(38,811)
	24,019	62,830
Total Right-of-use assets		
Carrying amount at beginning	1,436,544	1,552,869
Re-measurement of Right-of-use assets	(117,647)	(36,710)
Depreciation expense	(76,120)	(79,615)
	1,242,777	**1,436,544**

	2023	2022
NOTE 11 – TRADE AND OTHER PAYABLES	$	$
Trade creditors	1,500,926	570,225
Accruals	2,128,524	1,891,433
Total trade and other payables	**3,629,450**	**2,461,658**

	2023	2022
NOTE 12 – INTEREST BEARING LIABILITIES	$	$
Commercial bill – secured	-	-
	-	-

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 31/12/2023, with a 12-month extension to 31/12/2024 in progress.

	2023	2022
	$	$
Facilities available at year end	3,000,000	3,000,000
Amounts drawn at year end	-	-
Available undrawn facilities at year end	3,000,000	3,000,000

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 October 2023

	2023	2022
NOTE 13 – LEASE LIABILITIES	$	$
Lease liability - current	110,659	119,481
Lease liability – non-current	1,252,015	1,409,561
	1,362,674	1,529,042
Leasehold Land		
Balance at the beginning of the year	1,468,228	1,522,038
Re-measurement of lease liability	(117,647)	(36,710)
Payments	(83,931)	(79,618)
Interest	72,829	62,518
	1,339,479	1,468,228
IT infrastructure		
Balance at the beginning of the year	60,814	95,923
Payments	(40,653)	(40,653)
Interest	3,034	5,544
	23,195	60,814
	1,362,674	1,529,042

Future Lease Payments:
Future lease payments are due as follows:

	2023	2022
- Within 1 year	111,178	146,228
- One to 5 years	349,856	327,446
- More than 5 years	2,419,838	2,346,699
	2,880,872	2,820,373

	2023	2022
	$	$
NOTE 14 – EMPLOYEE BENEFITS		
(a) Current		
Provision for annual leave	358,145	395,399
Provision for long service leave	370,407	329,682
	728,552	**725,081**
(b) Non-Current		
Provision for long service leave	77,239	43,293
Total employee benefits	**805,791**	**768,374**

Notes to the Consolidated Financial Statements(continued)
For the year ended 31 October 2023

NOTE 15 – CONTRACT LIABILITIES	2023 $	2022 $
Current		
Sponsorship	2,032,559	871,043
Facility redevelopment	-	596,767
Membership	2,667,886	2,427,631
Other	70,493	91,975
Total contract liabilities	**4,770,938**	**3,987,416**

Contract liabilities include:

- Memberships received in advance of the 2024 AFL season

- Sponsorship instalments received in advance of the 2024 AFL season

NOTE 16 - COMMITMENTS

Remuneration Commitments
The Group 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:

	2023 $	2022 $
Not later than one year	12,020,690	11,801,750
Later than one year and not later than five years	19,986,110	13,029,500
Later than five years	1,200,000	420,000
	33,206,800	**25,251,250**

NOTE 17 – RELATED PARTY TRANSACTIONS

The Group'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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 October 2023

(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 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	2023 $	2022 $
Aggregate Compensation	926,663	1,514,091

(b) Transactions with related parties

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

	2023 $	2022 $
- Fundraising fee received from Shinboners Foundation Trust	71,687	54,695
- Donations received by Shinboners Foundation Trust from directors	21,000	14,250
Total related party transactions - Income	**92,687**	**68,945**

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.

Parent Entity
North Melbourne Football Club Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 22.

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

NOTE 19 – ECONOMIC DEPENDENCY

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

The Group 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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 October 2023

NOTE 21 – PARENT ENTITY INFORMATION

	2023	2022
	$	$
Total current assets	3,979,170	2,250,237
Total assets	29,719,185	27,626,969
Total current liabilities	9,460,818	7,293,636
Total liabilities	10,790,072	8,746,490
Equity		
- Members funds	3,588,608	3,588,608
- Accumulated profits	15,340,505	15,291,871
Total Equity	18,929,113	18,880,479
Net Profit	48,634	6,283,060
Total Comprehensive Income	48,634	6,283,060

Guarantees entered into by the parent entity:

The parent entity has not entered into any guarantees in relation to the debts of its subsidiaries.

Contingent liabilities:

The parent entity had no contingent liabilities as at 31 October 2023 and 31 October 2022.

Capital commitments – Property, Plant and equipment:

The parent entity had no capital commitments for property, plant and equipment as at 31 October 2023 and 31 October 2022.

Significant accounting policies:

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2 (e).

NOTE 22 – LIST OF SUBSIDIARIES

Below is a list of material subsidiaries of the Company.

– Arden Fund Pty Ltd incorporated on 9th September 2022 – Australia, 100% ownership interest (2022: 100%).

The Arden Fund collects donations for the purposes of providing a long term and sustainable asset base for the benefit of the North Melbourne Football Club in its capacity as a Melbourne-based participant team in the Australian Football League competition. At 31 October 2023 the Arden Fund held cash amounting to $221,219 for this purpose.

NOTE 23 – FINANCIAL INSTRUMENT RISK MANAGEMENT

The Group's financial instruments consist mainly of cash, deposits with banks and commercial bills. The Group 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 Group'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 consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 31 October 2023 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 Group 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

Sonja Hood (President)

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

Dated: 29 November 2023

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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) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 31 October 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 31 October 2023 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 Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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.

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

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 October 2023, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 29 November 2023


SO JOIN IN THE CHORUS,
ALL

FINANCIAL REPORT

Year Ended 31 October 2023