FINANCIAL Report

YEAR ENDED 31 OCTOBER 2020

NORTH MELBOURNE FOOTBALL CLUB LIMITED
ABN 21 006 468 962

Contents

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 2020.

Directors

The following directors were in office during the period from 1 November 2019 to the date of this report, unless otherwise stated:

Ben Buckley	Appointed Director on 14 May 2013 Appointed Chairman on 19 October 2016
Julie Laycock	Appointed Director on 27 September 2011 Head of Marketing – 7-Eleven
Brady Scanlon	Appointed Director on 17 July 2012 Executive Chairman of Scanlon Capital
Paul Dwyer	Appointed Director on 21 February 2018 Founder and Group Managing Director – PSC Insurance Group Chair of Finance & Audit Committee
Sonja Hood	Appointed Director on 23 December 2019 Chief Executive Officer – Community Hubs Australia
Glenn Archer	Appointed Director on 23 December 2019 Director – Kode Entertainment Group
Harry Unglik	Appointed Director on 6 November 2020 General Practitioner – Midtown Medical Clinic

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
Ben Buckley	10	10
Julie Laycock	9	10
Brady Scanlon	10	10
Paul Dwyer	10	10
Sonja Hood	8	8
Glenn Archer	7	8
Harry Unglik	0	0

Finance & Audit Committee – Paul Dwyer (Chairman), Brady Scanlon, Rodney Piltz

Integrity Committee – Will Houghton QC (Chairman), Julie Laycock, Andrew Harris, Paul Stevens, Rodney Piltz, Brady Rawlings

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 (2021) 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 2020 levels, in particular membership, whilst also increasing sponsorship, sales, events and fundraising revenue.
- To grow non-football revenue.
- To successfully integrate AFLW into the operations of the Company.
- To establish a strong new market of supporters by further developing relationships in Hobart and developing regions in Victoria.
- To continue to reduce the Company's debt with ongoing supporter and member driven campaigns involving member contributions, unique events and products.

The Company's long-term objectives (2022 – 2024) 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 in Hobart and Wyndham whilst continuing to maintain its 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.

Operating Results and Review of Operations

The statutory net profit of the Company for the year ended 31 October 2020 was $213,682 (2019: $47,484).

The underlying net operating profit of the Company was $1,643,125 (2019: $328,119) after non-recurring items for the year ended 31 October 2020. Pleasingly, the club was able to reduce debt from $650k down to $400k.

	2020	2019
	$	$
Statutory net profit	**213,682**	**47,484**
Add:		
Amortisation of facilities	572,585	450,668
Share of net loss of KangaTech	-	153,049
Restructure costs *	856,858	1,069,676
Less:		
Redevelopment fundraising	-	(1,392,758)
Underlying Net operating profit	**1,643,125**	**328,119**

* In 2020, the AFL announced a significant decrease in the football department expenditure soft cap (from $9.7m to $6.2m). As a result, the Club incurred restructuring costs related to redundancy and termination payments to employees.
The 2019 restructure costs eventuated from a review of the club operations that was broader than the football department.
These restructure costs are not considered to be directly related to the ongoing football operations of the club and have been added back to provide a more consistent measure of the underlying performance of the football operations.

Directors' Report (continued)

2020 was a challenging year. The men's season started with a win in Round 1 amidst a high degree of uncertainty due to COVID-19. The season was promptly suspended and the outlook for the industry looked bleak. The AFL was able to secure a line of credit that provided some assurance for the clubs and AFL to navigate a path through. Shortly after the recommencement of the season, the team was relocated to a hub in Queensland where it stayed for the duration of the season. It was a difficult period which saw the performances fall away and injury levels climb.

Luke McDonald, Jy Simpkin and Jed Anderson enjoyed their best seasons, taking out the top three spots in the Syd Barker Medal. Todd Goldstein and Trent Dumont were also very consistent throughout.

The AFLW team finished top of its conference ladder, also winning the first final, when the season was cancelled due to COVID-19. Jas Garner had a great season, winning the best and fairest, while also being awarded the AFLW Players' Association's Most Valuable Player.

From a financial perspective, the club, like many businesses, was severely impacted by COVID-19. Revenue was down $12.35m from 2019. AFL funding, gate receipts, corporate hospitality and events were all significantly affected. The club received incredible support from its members and sponsors. This was a critical factor to enable it to record another profit, the 9th successive surplus. Nearly all members and sponsors continued to support the club financially even though many benefits were unable to be provided. The club acted swiftly and prudently to reduce expenditure where possible, and sacrifices were made by many people. The players agreed to a 50% reduction of their payments for the remainder of the season and all staff accepted salary reductions, reduced hours or were stood down from their roles for periods during the year. Despite everything, pleasingly, the club was able to reduce debt from $650k down to $400k.

Looking towards 2021, there will be some changes. The drastically reduced football department soft cap limit has meant all clubs have had to make some very tough decisions to comply with the new environment. The playing list will also undergo a transformation, with a significant turnover of the list occurring at season's end. The club holds a strong draft hand which will help bolster an already impressive group of young players emerging. On the coaching front, John Blakey has returned as Senior Assistant Coach, while the process is undertaken for a new Senior Coach to replace Rhyce Shaw. The club and Rhyce mutually agreed to terminate Rhyce's employment contract for health reason. The club wishes to acknowledge Rhyce and his family, along with other outgoing members of the football department in what was a really tough year.

2021 brings a degree of uncertainty – crowds, list sizes, player payment limits and AFL funding aren't confirmed. Despite the challenges and the uncertainty, everyone is united and looking forward to the season.

The club wishes to thank its 38,765 members, along with all its 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 2020.

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.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings.

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.

Ben Buckley (Chairman)	Paul Dwyer (Director / Chairman – Finance & Audit Committee)

Dated: 18th November 2020

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

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 2020, 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

B L Taylor
Partner – Audit & Assurance

Melbourne, 18 November 2020

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 2020

	Notes	2020	2019
		$	**$**
Revenue	3	**32,255,315**	**44,605,593**
Expenses			
Administration expenses		4,582,992	6,607,896
Commercial business, events and fundraising		1,017,896	1,931,213
Depreciation	4	339,883	353,611
Football operations		21,290,193	28,308,050
Membership		1,924,718	2,563,742
Merchandise		475,523	774,769
Sales and sponsorship		1,691,066	3,293,211
Finance costs		120,387	74,582
Amortisation on Arden Street facility	4	572,585	450,668
Share of net loss from investment accounted for using the equity method		-	153,049
Other expenses		26,390	47,318
Total expenses		**32,041,633**	**44,558,109**
Net profit for the period		**213,682**	**47,484**
Other comprehensive income		-	-
Total comprehensive income		**213,682**	**47,484**
Attributable to:			
Members of North Melbourne Football Club Limited		**213,682**	**47,484**

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 2020

	Notes	2020	2019
		$	$
Current Assets			
Cash and cash equivalents	6	139,885	46,899
Trade and other receivables	7	262,616	202,711
Inventories	8	249,480	272,385
Other assets	9	1,025,293	789,907
Total Current Assets		**1,677,274**	**1,311,902**
Non-Current Assets			
Property, plant and equipment	10(a)	18,237,719	18,581,277
Right-of-use assets	10(b)	1,581,007	179,277
Total Non-Current Assets		**19,818,726**	**18,760,554**
Total Assets		**21,496,000**	**20,072,456**
Current Liabilities			
Trade and other payables	11	3,093,831	3,239,060
Lease liabilities	13	102,066	30,579
Employee benefits	14(a)	823,341	755,785
Contract liabilities	15	3,739,547	3,601,268
Total Current Liabilities		**7,758,785**	**7,626,692**
Non-Current Liabilities			
Interest bearing loans and borrowings	12	400,000	650,000
Lease liabilities	13	1,510,187	128,689
Employee benefits	14(b)	39,780	93,509
Total Non-Current Liabilities		**1,949,967**	**872,198**
Total Liabilities		**9,708,752**	**8,498,890**
Net Assets		**11,787,248**	**11,573,566**
Equity			
Members funds		3,588,608	3,588,608
Accumulated profits		8,198,640	7,984,958
Total Equity		**11,787,248**	**11,573,566**

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 2020

	Member funds	Accumulated profits	Total Equity
	$	$	$
Balance at 1 November 2018	**3,588,608**	**7,937,474**	**11,526,082**
Total Comprehensive Income for the period	-	47,484	47,484
Balance at 31 October 2019	**3,588,608**	**7,984,958**	**11,573,566**
Balance at 1 November 2019	**3,588,608**	**7,984,958**	**11,573,566**
Total Comprehensive Income for the period	-	213,682	213,682
Balance at 31 October 2020	**3,588,608**	**8,198,640**	**11,787,248**

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 2020

	Notes	2020	2019
		$	$
Cash flows from operating activities			
Receipts from customers		32,013,209	44,921,999
Payments to suppliers and employees		(30,977,424)	(41,234,691)
Interest received		349	154
Interest and other finance costs paid		(120,387)	(74,582)
Net operating cash flows	16	**915,747**	**3,612,880**
Cash flows from investing activities			
Purchase of property, plant and equipment		(489,706)	(5,602,321)
Payments for investment accounted for using the equity method		-	(153,049)
Net cash flows used in investing activities		**(489,706)**	**(5,755,370)**
Cash flows from financing activities			
Repayment of lease liabilities		(83,055)	(12,131)
Proceeds from borrowings		2,100,000	2,000,000
Repayment of borrowings		(2,350,000)	(1,800,000)
Net cash flows used in financing		**(333,055)**	**187,869**
Net increase/(decrease) in cash and cash equivalents held		**92,986**	**(1,954,621)**
Cash and cash equivalents at the beginning of the financial year		46,899	2,001,520
Cash and cash equivalents at the end of the financial year	6	**139,885**	**46,899**

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

NOTE 1 - CORPORATE INFORMATION

The financial report of North Melbourne Football Club Limited (the Company) for the year ended 31 October 2020 was authorised for issue in accordance with a resolution of the directors on 18 November 2020.

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 (AASBs) – Reduced Disclosure Requirements (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. 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 following Accounting Standards and Interpretations are most relevant to the Company:

AASB 15 Revenue from Contracts with Customers
AASB 15 replaced AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. The Company has adopted AASB 15 from 1 November 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The new Standard has been applied using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 November 2019 and comparatives are not restated. There were no differences arising from the adoption of AASB 15 and no adjustments recognised to retained earnings at 1 November 2019.

AASB 1058 Income of Not-for-Profit Entities

The Company has adopted AASB 1058 from 1 November 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

The new Standard has been applied using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 November 2019 and comparatives are not restated. There were no differences arising from the adoption of AASB 1058 and no adjustments recognised to retained earnings at 1 November 2019.

AASB 16 Leases

AASB 16 Leases replaces AASB 117 Leases and several lease-related interpretations. The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with measurement of the lease liability at the date of initial application (1 November 2019) at the present value of the remaining lease payments based on the lessee's incremental borrowing rate over the remaining lease term. Prior periods have not been restated and there have been no adjustments to opening retained earnings on transition to AASB 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

On transition to AASB 16 the weighted average incremental rate applied to lease liabilities recognised under AASB 16 for leasehold land was 3.73% and other PP&E was 7.17%. The alternative to leasing available to the Company is to finance the purchase using debt and therefore the incremental borrowing rate has been calculated as the market rate available to the Company.

The value of the right-of-use assets at 1 November 2019 was $1,660,221 and $1,581,007 at 31 October 2020. Depreciation expense for the year was $79,214. There was no adjustment made to the lease liability to arrive at the ROU balance as at 1 November 2019.

The following is a reconciliation of total operating lease commitments at 31 October 2019 to lease liabilities recognised at 1 November 2019:

	$
Operating lease commitments disclosed at 31 October 2019	1,279,297
Discounted using lessee’s incremental borrowing rate at date of initial application	(345,641)
Add: financial lease liabilities recognised as at 31 October 2019	159,268
Less: low-value leases not recognised as a liability	(67,887)
Reasonably certain extension term/s	615,165
Lease liability recognised at 1 November 2019	**1,640,202**

(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.

(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:

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.

(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.

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 average cost per unit.

(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.
- Revenue from the sale of memberships, corporate hospitality and sponsorships, is recognised in the relevant football year.
- 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 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.

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.

Accounting policy applicable to comparative period (31 October 2019)

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.

	2020	2019
	$	$
NOTE 3 – REVENUE		
AFL – Distributions	9,207,459	11,003,144
AFL – Future Funding	3,066,829	5,111,381
AFL – Signage	485,000	892,500
AFL – AFLW Funding	711,606	609,491
Commercial Business, Events and Fundraising	1,097,938	2,871,257
Gate Receipts	160,000	1,975,701
Membership	5,829,169	6,305,423
Merchandise	498,070	808,382
Sales and Sponsorship	7,554,494	11,526,913
Redevelopment fundraising	-	1,392,758
JobKeeper government funding	2,810,100	-
Other	834,650	2,108,643
	32,255,315	**44,605,593**

NOTE 4 – EXPENSES AND LOSSES/(GAINS)

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

	2020	2019
a) *Depreciation of non-current assets*		
- Plant & Equipment	260,669	353,611
- Right-of-use assets	79,214	
	339,883	353,611
Amortisation of non-current assets		
- Amortisation of Leasehold Improvements	572,585	450,668
Total depreciation & amortisation expense	**912,468**	**804,279**
b) Rent expense	-	71,014

	2020	2019
	$	$
NOTE 5 – AUDITOR'S REMUNERATION		
Amounts received or due and receivable by Auditors for:		
- auditing the accounts	41,000	41,000
- other services – total player payments audit	11,500	11,500
	52,500	**52,500**

The auditors, Grant Thornton, received no other benefits.

NOTE 6 – CASH AND CASH EQUIVALENTS

	2020	2019
Cash at bank and on hand	139,885	46,899
Total cash and cash equivalents	**139,885**	**46,899**

The effective interest rate on bank deposits was 0.01% (2019: 0.01%). These deposits have no maturity date.

NOTE 7 – TRADE AND OTHER RECEIVABLES

	2020	2019
Current		
Trade receivables	158,240	48,790
Allowance for expected credit losses	-	(11,000)
	158,240	37,790
GST receivable	95,784	87,474
Other debtors	8,592	77,447
Total trade and other receivables	**262,616**	**202,711**

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.

NOTE 7 – TRADE AND OTHER RECEIVABLES (CONT.)

As at 31 October 2020, trade receivables with a carrying amount of $143,000 (2019: $18,767) 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:

	2020 Gross $	2020 Allowance $	2019 Gross $	2019 Allowance $
Not past due	15,240	-	19,023	-
Past due 0-30 days	143,000	-	18,142	-
Past due 31-60 days	-	-	-	-
Past due 60 days	-	-	11,625	(11,000)
Total	**158,240**	**-**	**48,790**	**(11,000)**

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

	2020 $	2019 $
Not more than 3 months	143,000	18,767
More than 3 months but not more than 6 months	-	-
More than 6 months but not more than 1 year	-	-
Total	**143,000**	**18,767**

NOTE 8 – INVENTORIES	**2020**	**2019**
	$	**$**
Roo Shop merchandise – at lower of cost and realisable value	249,480	272,385

NOTE 9 – OTHER ASSETS		
Prepayments	105,478	75,698
Unexpired contra	22,560	36,708
Accrued income	433,953	52,512
Investment – AFLCA Transition Fund	-	176,975
Arden Street Facility Capital Fund – Refer to Note 9(a)	463,302	448,014
Total other assets	**1,025,293**	**789,907**

(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.

NOTE 10 – NON-CURRENT ASSETS

10(a) – Property, Plant and Equipment		
Plant & Equipment – at cost	2,949,118	2,702,876
Less: Accumulated Depreciation	(2,143,643)	(1,882,974)
	805,475	**819,902**
Leasehold Buildings – at cost	21,900,118	21,656,664
Less: Accumulated Amortisation	(4,467,874)	(3,895,289)
	17,432,244	**17,761,375**
Total property, plant and equipment	**18,237,719**	**18,581,277**

Notes to the Financial Statements (continued)
For the year ended 31 October 2020

Reconciliations

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

	2020 $	2019 $
Plant & Equipment		
Carrying amount at beginning	819,902	665,671
Additions	246,242	493,062
Write-offs	-	-
Depreciation expense	(260,669)	(338,831)
	805,475	**819,902**
Leasehold Buildings		
Carrying amount at beginning	17,761,375	13,102,784
Additions	243,454	5,109,259
Write-offs	-	-
Amortisation expense	(572,585)	(450,668)
	17,432,244	**17,761,375**
Total Assets & Leasehold Buildings		
Carrying amount at beginning	18,581,277	13,962,512
Additions	489,696	5,408,264
Write-offs	-	-
Depreciation & amortisation expense	(833,254)	(789,499)
	18,237,719	**18,581,277**

NOTE 10(b) – Right-of-use assets

	2020 $	2019 $
Right-of-use asset – at cost	1,675,001	194,057
Less: Accumulated Depreciation	(93,994)	(14,780)
	1,581,007	**179,277**

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

	2020 $	2019 $
Leasehold Land		
Carrying amount at beginning	1,480,944	-
Additions	-	-
Depreciation expense	(40,389)	-
	1,440,555	**-**

Notes to the Financial Statements (continued)
For the year ended 31 October 2020

	2020	2019
	$	$
IT Infrastructure		
Carrying amount at beginning	179,277	-
Additions	-	194,057
Depreciation expense	(38,825)	(14,780)
	140,452	**179,277**
Total Right-of-use assets		
Carrying amount at beginning	1,660,221	-
Additions	-	194,057
Depreciation expense	(79,214)	(14,780)
	1,581,007	**179,277**

Right-of-use assets at 31 October 2019 represent finance leases recognised under AASB 117

NOTE 11 – TRADE AND OTHER PAYABLES

	2020	2019
Trade creditors	1,303,319	1,207,308
Accruals	1,790,512	2,031,752
Total trade and other payables	**3,093,831**	**3,239,060**

NOTE 12 – INTEREST BEARING LIABILITIES

	2020	2019
Commercial bill – secured	400,000	650,000
	400,000	**650,000**

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 facility is due on 31 December, 2022 and has therefore been classified as non-current in the current period. The borrowing facility will be renewed in 2-year intervals. The undrawn financial facilities at balance date were $2.6m.

	2020	2019
Facilities available at year end	3,000,000	3,000,000
Amounts drawn at year end	(400,000)	(650,000)
Available undrawn facilities at year end	2,600,000	2,350,000

Notes to the Financial Statements (continued)
For the year ended 31 October 2020

	2020	2019
	$	$
NOTE 13 – LEASE LIABILITIES		
Lease liability - current	102,066	30,579
Lease liability – non-current	1,510,187	128,689
	1,612,253	159,268
Leasehold Land		
Balance at the beginning of the year	1,480,944	-
Payments	(52,496)	-
Interest	55,106	-
	1,483,554	-
IT infrastructure		
Balance at the beginning of the year	159,268	-
New Leases	-	171,399
Payments	(40,642)	(16,939)
Interest	10,073	4,808
	128,699	159,268
	1,612,253	159,268

Lease liabilities at 31 October 2019 represent finance leases recognised under AASB 117

	2020	2019
	$	$
NOTE 14 – EMPLOYEE BENEFITS		
(a) Current		
Provision for annual leave	440,733	291,181
Provision for long service leave	382,608	464,604
	823,341	**755,785**
(b) Non-Current		
Provision for long service leave	39,780	93,509
Total employee benefits	**863,121**	**849,294**

Notes to the Financial Statements (continued)
For the year ended 31 October 2020

	2020	2019
	$	$
NOTE 15 – CONTRACT LIABILITIES		
Current		
Contract liabilities	**3,739,547**	**3,601,268**

Contract liabilities as at 31 October 2020 primarily consist of member funds received in advance of the 2021 AFL Season

NOTE 16 – RECONCILIATION OF NET PROFIT TO NET CASH FLOWS FROM OPERATIONS

	2020	2019
	$	$
Net profit	213,682	47,484
Adjustments for:		
Non-cash items		
Depreciation and amortisation	912,468	804,279
Finance costs on Lease Liabilities	55,106	-
Losses from equity method investments	-	153,049
Changes in assets and liabilities		
(Increase) / decrease in receivables	(59,905)	1,231,438
(Increase) / decrease in other assets	(235,386)	179,876
(Increase) / decrease in inventories	22,905	(81,743)
Increase / (decrease) in payables	(145,229)	797,031
Increase / (decrease) in employee benefits	13,827	(64,428)
Increase / (decrease) in other liabilities	138,279	545,894
Net operating cashflow	**915,747**	**3,612,880**

NOTE 17 - 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:

	2020	2019
	$	$
Not later than one year	9,312,781	11,488,500
Later than one year and not later than five years	6,075,000	9,662,781
Later than five years	-	-
	15,387,781	**21,151,281**

NOTE 18 – 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

There is no separate Remuneration Committee. Therefore, all 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

	2020	2019
	$	$
Short term employee benefits	794,254	1,322,447
Post-employment benefits	38,572	42,188
	832,826	**1,364,635**

(b) Transactions with associates

During the period there were no material transactions with associates of the Company.

NOTE 19 – 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 20 – 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 (currently drawn to $400k) and the availability of credit.

NOTE 21 – 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 22 – 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 2020 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards Reduced Disclosure Regime (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.

Ben Buckley (Chairman)

Paul Dwyer (Director / Chairman – Audit Committee)

Dated: 18th November 2020

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

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 2020, 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 2020 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

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

Grant Thornton

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 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: 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

B L Taylor
Partner – Audit & Assurance

Melbourne, 18 November 2020

NORTH MELBOURNE

FINANCIAL Report

YEAR ENDED 31 OCTOBER 2020