



MELBOURNE FOOTBALL CLUB LIMITED

AND ITS CONTROLLED ENTITIES

ACN 005 686 902

Consolidated Annual Financial Report

for the year ended 31 October 2022

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Directors' Report

To the Members of the Melbourne Football Club Limited ("the Club" or "MFC").

The Directors present their report pursuant to the requirements of the Corporations Act 2001 on the state of affairs of the Club at 31 October 2022.

1. Principal Activities

The principal activities of the Club are to field teams bearing the Club's name within the Australian Football League and associated competitions, and to promote the game of Australian Rules Football.

2. Operating Results and Review of Operations

The Club entered 2022 with a surge of emotion following the 2021 premiership win by our men's team. The early part of the year focused on sharing the joy of our premiership win with members and supporters, given many could not attend the Grand Final. 35,000 passionate Melbourne fans attended the premiership celebration at the MCG in December 2021, with many more getting their opportunity to hold the premiership cup during the year. The team had another strong year, finishing second on the ladder at the end of the home and away season. Whilst the finals exit was disappointing, we are proud of all that our men's team have achieved in recent seasons and look forward to them coming back refreshed and hungry for further success in 2023.

Our women's team achieved the ultimate success by winning our inaugural AFLW premiership against Brisbane. This was the culmination of many years hard work for our team, following preliminary and grand final defeats in the preceding seasons. Congratulations to coach Mick Stinear, captain Daisy Pearce and all players and staff involved in the AFLW program, and thank you for making us all proud to belong to this wonderful Club

Our strong financial result during the year reflects the on-field success enjoyed by our football programs (including the 2021 premiership win), combined with a return to a more normal operating environment following the lifting of COVID restrictions early in the year.

Key Highlights

- The Club recorded an operating profit for the year of \$3.5m (FY21: \$2.1m), a year-on-year increase of 67%. This result was driven by a combination of record membership, return to matches being played in front of crowds, strong cost control and commercially capitalising on the success of the 2021 premiership.
- The Club completed its exit from the gaming industry, with the Bentleigh Club closing in August 2022. The sale of Bentleigh Club settled after the financial year end, with proceeds of \$23.7m being received. The Board have established a Future Fund with the sale proceeds, to replace the foregone gaming income from the divestment of Bentleigh Club and Leighoak, and provide financial security for the Club for many years to come.
- The Club's cash reserves were \$12.5m at year end (FY21: \$9.6m), with the increase from FY21 primarily due to the \$2.4m deposit held at year end relating to the sale of Bentleigh Club. The Club has restored, and now enhanced, its liquidity position following COVID affected years in 2020 and 2021;
- A Club record 66,484 dedicated Demons signed up as members in 2022, an increase of 11,989 (22%) from 2021. This tally also included a record 3,361 members of our AFLW team. The support of our members is a great source of pride and inspiration for both our football programs;
- The Demon faithful returned to games in record numbers during 2022, with men's home game crowds at the MCG totalling 425,082 during 2022. This is the fourth highest attendance figure by the Club over the last 50 years, and the highest since 2018 – a wonderful achievement given the

cautious COVID-related sentiment regarding large crowds that existed for much of the season. Our AFLW team also enjoyed fantastic support at their games during 2022, including a historic standalone preliminary final at the MCG against Brisbane.

The Club recorded a statutory profit of \$2.7m during the year, and an operating profit of \$3.5m. A reconciliation of this is outlined below:

		2022	2021
		\$	\$
	Statutory Profit	2,711,624	2,638,228
Less	Gosch's Paddock Fundraising	(436,503)	(500,000)
Add back	Gosch's Paddock Redevelopment Costs	1,000,000	
Add back	Bentleigh Club Closure Costs	253,554	-
	Operating Profit	3,528,675	2,138,228

Further details on the Club's financial management during the year are outlined below.

Revenue

The Club's operating revenue increased by \$12.0m (28%) during the year to \$54.9m. This was driven by increases of:

- \$3.7m in sponsorship and corporate hospitality revenue, as a result of a return of corporate functions and events;
- \$3.5m in match receipts, following a return to a full season played in front of crowds. 425,000 people attended the Club's home games at the MCG during the season (2021: 203,000);
- \$2.2m in membership and fundraising income, driven by a Club record membership tally during the season;
- \$2.6m in AFL distributions, relating to the AFL's contribution to increases in the men's and women's player payments limits during the year.

There was a reduction in Jobkeeper receipts of \$1.6m in 2022, given the program concluded during 2021.

Expenses

Operating expenditure grew by \$8.9m (18%) in 2022. The key increases were:

- \$3.5m increase in corporate, membership and fundraising expenditure. This was driven primarily by an increase in activity in 2022, including the full return of crowds to games and the record membership tally. Revenue associated with this expenditure increased by \$5.9m during the year.
- \$1.9m in women's football program costs. This increase related to the additional season played during the year;
- \$1.0m in men's football program costs. There was a \$0.8m increase in player payments. Football program costs (excluding players) increased by \$0.2m;
- \$0.3m in director election, constitution and associated legal proceedings costs. The cumulative costs for these items totalled \$0.8m across 2021 and 2022.

There was also \$1m of expenditure on Gosch's Paddock recorded during the year, representing the Club's contribution to the \$3.5m redevelopment project. This cost has been offset by \$0.5m in funding from the AFL (received in 2021) and \$0.4m in fundraising from our Club 11 supporter group.

Balance Sheet

The Balance Sheet is in a strong position at the end of 2022. Key items of the Balance Sheet at year end are detailed below:

- The sale of Bentleigh Club settled just after the financial year end, and as a result is classified as an asset held for sale in the Balance Sheet (in accordance with Australian Accounting Standards). The carrying value represents the sale proceeds of \$23.7m;
- The Club had cash reserves of \$12.5m on hand at year end, an increase of \$2.9m from 2021. The movement is driven by the \$2.4m deposit received for the Bentleigh Club sale;
- The Club remains debt free at year end;
- Trade and other payables reduced by \$1.8m and income in advance reduced by \$1m at year end. Both have reverted to normal carrying amounts in 2022 after increasing last year as a result of activities surrounding the Club's premiership win.

Bentleigh Club Sale, Future Fund & Investment Committee

As outlined previously, the sale of Bentleigh Club settled just after the financial year end. The sale of Bentleigh Club is the culmination of a long-term strategy to exit the gaming industry, which commenced with the sale of Leighoak in 2018 for \$10.7m. The Club exits gaming with combined sale proceeds of \$34.4m, and the expectation of an annual income stream from the Future Fund that will exceed income otherwise expected had the Club retained its two gaming venues.

The Board have established a Future Fund with the proceeds of the sale, with the purpose of the Future Fund to underpin the long-term financial sustainability of the Club. The Future Fund will achieve this by:

- Preserving and growing the capital base of the Club. A significant capital base is an important protection mechanism for the Club if there are any unexpected shocks to the football industry or Club environment in the future;
- Providing an annual income stream that supports the football activities of the Club. This will replace, and is planned to exceed, the previous gaming income of the Club.

It is important to note that it is not intended that the Future Fund be utilised for the following activities:

- Investment into Club Capital Expenditure projects, including but not limited to Training & Administration Facilities;
- Funding the day-to-day operating activities of the Club, including but not limited to Football Operations costs;
- Repaying debt incurred as a result of operating losses of the Club, or the activities outlined above.

The Future Fund will be overseen by the Club's Investment Committee. The Investment Committee is comprised of representatives of the Board, Executive and independent members with significant experience in financial markets and investment activities. The Board has appointed Morgan Stanley as Fund Manager for the Future Fund.

It is expected that the implementation of the Future Fund investment strategy will be completed by mid-2023, with the first full year earnings from the Fund expected in 2024.

Football Programs

As noted previously, despite the disappointing end to the year, 2022 was another strong season for our men's team. The key highlights included finishing 2nd on the ladder at the end of the home and away season, our 10 game winning streak to open the season, Kysaiah Pickett's match winning goal in the final seconds against Carlton and our season opening win whilst unfurling our 2021 premiership flag.

Clayton Oliver was awarded the Keith 'Bluey' Truscott trophy as our Best & Fairest for 2022, joining Jim Stynes as the only player to win the award on four occasions. Clayton was also selected as an All Australian in 2022, alongside teammates Max Gawn, Christian Petracca and Steven May.

Luke Jackson departed the Club at the end of the 2022 season. The Club thanks Luke for his contribution to our 2021 premiership success and wishes him all the best for the future. Jayden Hunt and Sam Weideman also left the Club during the trade and free agency period. The Club thanks Jayden and Sam, as well as all other departing players, for their contribution during their time at the Club.

The Casey Demons were VFL premiers during 2022. The premiership team included 16 Melbourne listed players, many of whom are our young talent who will be vying for places in the senior team in the years ahead. Congratulations to all the players and staff involved, especially to VFL Coach Mark Corrigan and Captain (and former Melbourne listed player) Mitch White.

2022 was a significant year for AFLW, with two seasons held across the course of the year. As previously noted, our women's team won our inaugural AFLW premiership during Season 7, defeating Brisbane in a tightly contested Grand Final. The team was dominant all season, losing only one game in the home and away season, before winning finals against Adelaide, North Melbourne and Brisbane. This followed our strong performance during Season 6, where we reached the Grand Final for the first time after also only losing one match during the home and away season. We are the first winner of an 18 Club AFLW competition, and the first Club to win both an AFL and AFLW premiership since the inception of the women's competition. We thank all players and staff for their efforts in completing two seasons within the year, and maintaining exceptionally high standards that allowed the Club to compete in two Grand Finals and win one premiership during the year.

Daisy Pearce won the Season 6 AFLW Best & Fairest award, whilst Kate Hore won the Season 7 Best & Fairest. Daisy, Libby Birch, Lauren Pearce, Taylor Harris, Liv Purcell and Kate Hore were selected as All Australians across the two seasons. Congratulations to all players on being recognised for their individually excellent seasons during the year.

2022 was a big year for player milestones. Tom McDonald and Jake Melksham played their 200th games, Christian Petracca and Ben Brown their 150th, and Jayden Hunt and Bayley Fritsch registered 100 games. The Club also had its first milestones within the AFLW team, with eight players reaching the 50 game milestone – Libby Birch, Karen Paxman, Tayla Harris, Lily Mithen, Lauren Pearce, Kate Hore, Daisy Pearce, Sarah Lampard and Eden Zanker. The Club congratulates all players on reaching individual milestones during the year.

Training & Administration Facilities

A \$3.5m upgrade to Gosch's Paddock was completed during 2022. The upgrade resulted in an increase in ground size so that it is MCG length and Marvel Stadium width, which is an important step to ensuring the Club has access to the elite training facilities it required. The project was funded in partnership with the Victorian State Government, Melbourne & Olympic Parks Trust and the AFL, with the Club's contribution of \$1m being funded by an AFL grant (\$0.5m) and the generosity of our Club 11 members (\$0.4m).

The Club also commenced significant upgrade works to its existing facilities during the year, which will be completed in 2023. The Club will invest \$5.5m across its AAMI Park, Casey Fields and MCG locations, ensuring that our players and staff encounter no compromises to their programs whilst we continue discussions on a longer-term facility solution. The works are in addition to the \$8m invested on indoor training, gymnasium and other facility upgrades at Casey Fields in 2020, and \$3.5m on Gosch's Paddock as outlined above, bringing the Club's overall facility investment since 2020 to \$17m. These works (upcoming and historical) have been funded by contributions from a combination of AFL, State Government, City of Casey and supporter fundraising initiatives.

The Club continued discussions regarding a long-term Training & Administration Facility, participating in second stage feasibility study with the Victorian State Government on a site within the Melbourne & Olympic Parks precinct. Securing an appropriate outcome is a strategic priority of the Club, however it is a long-term project that can only move at the speed determined by the Victorian State Government given our requirement for land and funding. We thank the Victorian State Government and AFL for their continued support as we pursue a long-term home for the Club.

Constitutional Changes

The Club held a Special General Meeting during the year to consider proposed amendments to the Club's Constitution. A Constitution Review Working Group was established to review the Constitution, undertake consultation with members and based on feedback, table amendments for the consideration of members.

These amendments were passed with an 84% majority. The key amendments included:

- Introduction of 9 year tenure limits for directors and the Club President (with all directors still required to stand for re-election at three year intervals);
- Changing the reference of “Chairman” to “President”, and incorporating the AFLW team within the Constitution;
- Transitioning to electronic voting for any director election (previously only postal voting was allowed);
- Mandating the requirement for the Club to have an Investment Committee and a Nominations & Remuneration Committee.

3. Events Subsequent to Balance Date

On 2 November 2022, the sale of Bentleigh Club was successfully completed in line with contracted price of \$23,700,000.

There has been no other matter or circumstance that has arisen since 31 October 2022 that has or may significantly affect the results of operations or the Club’s state of affairs.

4. Likely developments

The Directors will continue to progress the strategic objectives of the Club and in this context there are no undisclosed matters at the date of this report that are expected to materially impact the Club.

5. Environmental Regulation

The Directors believe that the operations of the Club are not subject to any particular or significant environmental regulation.

6. Auditors Independence Declaration

The Directors have received the Independence Declaration from the auditor of the Club. The Independence Declaration is set out on page 13 and forms part of the Directors’ Report for the year ended 31 October 2022.

The following non-audit services were provided by the entity’s auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

– Other audit services	- \$46,900
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7. Directors

The following persons were Directors of Melbourne Football Club Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Kate Roffey (President)
Steve Morris (Vice President)
John Trotter
Brad Green
Mohan Jesudason
Sally Freeman (appointed November 2021)
David Rennick
David Robb

Kate Roffey
President

Kate Roffey joined the Melbourne Football Club Board in 2013 and was elevated to the role of President in April 2021.

Kate is currently the CEO of the State Sport Centres in Victoria, and is also the Deputy Chancellor of Victoria University and is a member of the AFLW Competition Committee. Kate is also the former Chair of the Victorian Regional Channels Authority and Member of the Ministerial Better Planning and Approvals Review Board and the Ministerial Freight Advisory Committee.

Kate is the former CEO of the Committee for Melbourne, CEO of VicSport, Director of Deals, Investment and Major Projects at City of Wyndham and was the Senior Executive responsible for the Melbourne Park Tennis Centre redevelopment and Government Relations at Tennis Australia.

Kate holds qualifications in Sports Science, Sport Administration, and Psychology, and is a Graduate Member of the Australian Institute of Company Directors.

Kate has a strong background in professional sport and has had the opportunity to spend time with some of the world's leading sports teams, including the New York Yankees, Manchester United FC, Dallas Cowboys and Miami Dolphins, reviewing world's best sporting practice.

Steve Morris
Vice President

Steve joined the Board in 2014 and is Vice President. Steve is the Chair of the Investment Sub Committee, a member of the Nomination and Remuneration Committee, the Fundraising Working Group, is a Director of the Jim Stynes Foundation and is the Board's representative Trustee of the Red and Blue Foundation.

As well as managing his family's business interests he is Non-Executive Chairman of Auric Mining Ltd. He was the founder of Peloton Shareholder Services, offering shareholder management and capital raising solutions to a range of ASX listed companies.

Steve's previous experience is predominantly in stockbroking and financial markets including as Head of Private Clients Australia for Patersons Securities, one of Australia's largest retail stockbroking firms and as Managing Director of Intersuisse Ltd. He has held senior executive positions within the Little Group and was Chairman of Purifloh Ltd and a Non-Executive Director of De Grey Mining until 2019.

He holds a Diploma in Financial Markets, is a Master Stockbroker and Responsible Executive of the ASX.

Steve is co-founder of Club Lunch – an active supporter group that is part of the Melbourne Business Community and raises funds that are put into the Football Department. He has also been a player sponsor, is a Foundation Member of our AFLW team and is a Foundation Hero.

Sally Freeman

Sally joined the board in November 2021 and became Chair of the Audit, Risk, and Integrity Committee in October 2022. She is also a member of the Investment Committee and was a member of the MFC Constitutional Review Working Group. Sally is an experienced Non-Executive Director who brings to the club deep skills in risk management, financial and internal audit, board governance, and compliance.

Sally is currently a director of Netwealth Ltd, Regional Investment Corporation, the Suburban Rail Loop Authority and Eastern Health. She is also an audit committee member of Health Share Victoria, Commonwealth Games Australia, and Caulfield Grammar.

Sally's executive career comprised over 30 years' experience in IT, Risk and Accounting consulting, culminating in Managing Partner of KPMG's Risk Consulting practice in Australia and represented KPMG ASPAC on the Global Executive—Risk Consulting.

Sally holds a Bachelor of Commerce degree from The University of Western Australia and is a Chartered Accountant. She is also a Fellow of the Institute of Chartered Accountants, a Graduate of the Australian Institute of Company Directors, a Fellow of the Victorian Williamson Leadership Program, and a member of Chief Executive Women.

Brad Green

A former Club Captain and Life Member, Brad Green joined the Board in November 2020.

Brad played 254 games for Melbourne in a career that spanned 13 seasons.

He was awarded the Keith "Bluey" Truscott Memorial Trophy after an outstanding year in 2010.

After retiring from football, Brad transitioned into coaching roles at both Carlton and North Melbourne and held a mentoring role as a leadership consultant for the Melbourne Renegades during the 2019/2020 season.

Brad also runs his own commercial business, as the Managing Director of GMH Fire and Safety Australia.

Mohan Jesudason

Mohan joined the Board in 2015 and is the Chair of the Nomination and Remuneration Committee.

He is currently Chief Executive Officer of X2M Connect Ltd (X2M). X2M operates in Australia, South Korea, Japan, China and Taiwan under the trading name of Freestyle Technology.

Mohan is also an Advisory Board Member of Enterprise Victoria, a fundraising and business networking organisation associated with the Liberal Party of Australia. He is a past director of Racing Victoria Ltd, Telecom Mobile Ltd, Hutchison 3 Ltd and the Prince of Wales Trust in New Zealand.

Prior to X2M, Mohan was Managing Director of Tabcorp Gaming and Group Marketing for 10 years. Before this, he held leadership roles with Telecom New Zealand and National Mutual Life Association of Australasia, in Australia and New Zealand.

Mohan, an experienced director, brings to the Melbourne Football Club a deep background in Marketing, Digital, Finance and Major Project Management. He holds a Bachelor of Economics Degree from Monash University, a Graduate Diploma in Accounting, a Diploma from the Australian Insurance Institute and a Certificate in Direct Marketing from the Australian Direct Marketing Association.

Mohan is a Foundation Hero.

Born in Sri Lanka, Mohan immigrated to Australia in 1972 where he completed his High School and University education.

David Rennick

David joined the Board in November 2020 and is a member of the Club's Investment Sub Committee and Facilities Working Group. He was also Chair of the Constitutional Review Working Group. He is an experienced non – executive director and lawyer with more than 30 years as a property lawyer and leader of law firms.

He is currently a director of MCM (Melbourne City Mission) and Hester Hornbrook Academy where he also chairs Quality Safety & Risk and Audit & Risk Committees. He is also an Executive Director of Sanctuary Living, a Senior Advisor to Inspired Companies and Member of the Carr Advisory and Proximity Advisory Boards

Prior to that, David was Global Board member and Head of Australia for Pinsent Masons, CEO of an Australian law firm and a Director of an ASX-listed property development company.

David brings to the Board extensive experience as a CEO, Director and Non-Executive Director in a listed company, an international and national professional services firm and not for profit organisations. His particular expertise includes leadership, people & culture strategies, governance, law, compliance and risk, and real estate.

David is a Foundation Hero (Legend status), and a member of the Club's Inner Sanctum group.

David Robb

David joined the Board in 2015 and is a member of the Audit, Risk and Integrity Committee and the Investment Committee.

He was until recently a Director of the WA Cricket Foundation and Chair of the Faculty of Engineering and Mathematical Sciences at the University of Western Australia. He was previously a Director of Navitas Limited, a leading listed global education provider and for almost ten years until September 2016 was the Managing Director and CEO of Iluka Resources Limited, an ASX100 company.

Other previous roles include being an Executive Director of Wesfarmers Limited, Managing Director of Wesfarmers Energy, Director of the Centre for Independent Studies, Chairman of Consolidated Rutile Limited, Deputy Chair of Methodist Ladies College, Perth, President of the Institute of Management WA and senior positions in the downstream oil industry in Australia, the UK, the USA and Asia.

David brings to the Board his extensive international and Australian experience as a CEO, Chairman and non-executive director in large listed, member-based and not-for-profit organisations with particular expertise in areas such as business management, governance, strategic planning, finance, major projects, marketing and branding and in transforming organisational performance through leadership, people and culture development.

David holds a Bachelor of Science degree, a Graduate Diploma in Personnel Administration, has completed the Harvard University Business School Advanced Management Program and is a Fellow of the Australian Institute of Management and the Australian Institute of Company Directors.

David was born in Melbourne and is a life-long supporter of Melbourne. He was part of the cheer squad in the 'duffle coat and desert boot' VFL era. He is a Foundation Hero and a member of the Demon Army.

In his university days, he played amateur football in Victoria and Western Australia,

with a successful period as President of the University Football Club in Western Australia.

John Trotter

John joined the Board in 2011 and is Chair of the Audit, Risk and Integrity Sub Committee, Chair of the Bentleigh Club Sub Committee and a Member of the Investment Sub Committee. He has particular involvement at the Board level on governance, risk management and finance operations of the club.

John's built his career in chartered accounting and consulting with global firms Touche Ross and Deloitte both in Australia and globally. He specialised in Corporate Governance, Risk Management, Audit and Finance. He had a number of leadership roles with global firm Deloitte: Global Managing Partner— Risk Services, Asia Pacific Managing Partner Risk services and Managing Partner of Deloitte Victoria. In these roles he served global clients and Deloitte practices across Australia, Asia, Europe and the America's. He also had two years as a member of the Australian Auditing Standards Board.

Post Deloitte, John was Chairman and non-executive director of the Entity Solutions Group of companies specialising in contingent workforce solutions in Australia, New Zealand and Asia. He was also an Advisory Board member of Ewert Leaf Architects and Landchecker a tech start-up. He continues to provide advisory services to a number of businesses.

John has had significant involvement in Amateur football spanning 45 years as a player, sponsor, mentor and administrator with Old Brighton Grammarians.

John is a Foundation Hero— Platinum Legend, member of the Demon Army, former Coterie Committee member and former Vice President of the MFC.

John is a Fellow of the Institute of Chartered Accountants, a member of the Australian Institute of Company Directors and has a Bachelor of Commerce from Melbourne University.

8. Chief Executive Officer and Company Secretary

Gary Pert

Gary Pert joined the Melbourne Football Club in October 2018 as Chief Executive Officer.

Prior to joining the Dees, Gary was CEO of the Collingwood Football Club. Under Gary's 10 year leadership, Collingwood became one of the powerhouse clubs of Australian sport, experiencing substantial commercial growth. The club featured in seven AFL Finals Series, reaching a Grand Final in 2011 and winning the Premiership in 2010.

His professional background includes a 12 year career with Austereo Radio Group, which culminated in four years as General Manager of Fox FM / Triple M and five years as the Austereo National Sales Director. He was also Managing Director of Channel Nine, Melbourne.

Gary had a distinguished 14-year AFL career between 1982 and 1995, during which he played 233 games.

Following his playing days, Gary served on the Collingwood FC Board for two years, prior to becoming the CEO, and was a long-term board member of the Pacific Star Radio Network, overseeing the operation of SEN Radio.

Gary is a graduate of the Australian Institute of Company Directors and has a vast experience in media and sports administration.

David Goldberg David Goldberg joined the Melbourne Football Club as Company Secretary and Returning Officer in January 2021.

David is an experienced Company Secretary, General Counsel and Corporate Governance Executive.

David's professional experience includes acting as General Counsel for a Victorian metropolitan public health service, the role of General Counsel, Company Secretary and Executive Director of Corporate Governance and Ethical Standards at the Metropolitan Fire Brigade and as Company Secretary for the Royal Australian College of General Practitioners. He advises CEOs and Boards of for purpose organisations primarily across health, aged care and the disability sectors.

David is a Board Director at Palliative Care South East, a Graduate of the Australian Institute of Company Directors and holds an LLB (Hons) and a BA.

9. Director's Meetings

The number of Director's meetings held and the number of meetings attended by each Director are:

Director	Number held*	Number attended
Kate Roffey	8	8
Steven Morris	8	8
Sally Freeman	8	8
Brad Green	8	8
Mohan Jesudason	8	8
David Rennick	8	8
David Robb	8	7
John Trotter	8	8

*Reflects the number of meetings held during the time the Director held office during the year.

The Club has the following Board Committees:

- Audit, Risk & Integrity Committee. The members are Sally Freeman (Chair), David Robb and John Trotter (Chair for part of the year);
- Investment Committee. The members are Steven Morris (Chair), Sally Freeman, David Rennick, David Robb and John Trotter;
- Nominations & Remuneration Committee. The members are Mohan Jesudason (Chair), Brad Green and Steven Morris.

10. Indemnification and Insurance of Officers

Insurance and indemnity arrangements concerning Directors of the Club have continued in the current year. Under the agreement the Directors of the Club are indemnified against claims which may arise as a result of work performed in their capacity as a Director.

During the financial year, no Director of the Club has received or become entitled to receive a benefit (other than a benefit disclosed in the accounts) by reason of a contract made by the Club with the Director

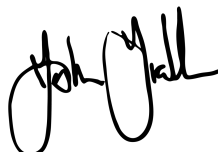
or with a firm of which they are a member, or with a company in which the director has a substantial financial interest.

To the extent permitted by law, Melbourne Football Club Limited has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Signed in accordance with a resolution of Directors at Melbourne this 5th day of December 2022.

A handwritten signature in black ink, appearing to read 'Kate Roffey', with a large, stylized loop at the end.

Kate Roffey

A handwritten signature in black ink, appearing to read 'John Trotter', with a large, stylized loop at the end.

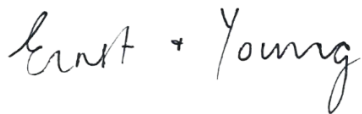
John Trotter

Auditor's Independence Declaration to the Directors of Melbourne Football Club Limited

As lead auditor for the audit of the financial report of Melbourne Football Club Limited for the financial year ended 31 October 2022, I declare 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.
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Melbourne Football Club Limited and the entities it controlled during the financial year.



Ernst & Young



Alison Parker
Partner
5 December 2022

Consolidated Statement of Comprehensive Income

For the year ended 31 October 2022	Note	Consolidated	
		2022 \$	2021 \$
Revenue	3	54,984,319	42,971,118
Interest Income	3	51,299	9,869
JobKeeper Receipts	3	-	1,605,236
Men's Football costs		(24,473,898)	(23,426,187)
Women's Football costs*		(4,027,419)	(2,056,181)
Cost of sales		(1,983,836)	(1,651,869)
Administration costs		(6,107,045)	(4,934,315)
Director Election, Constitution & Legal proceedings costs		(566,821)	(233,005)
Corporate, membership and fundraising expenses		(10,749,861)	(7,205,124)
Finance costs	4	(17,029)	(12,524)
Marketing & communications expenses		(2,393,905)	(1,860,431)
Depreciation expenses		(627,443)	(657,620)
Bentleigh Club closure costs		(253,554)	-
Gosch's Paddock Redevelopment		(1,000,000)	-
Net profit/(loss) for the period		2,834,807	2,548,967
Discontinued Operations			
Profit/(loss) for the year from Discontinued Operations	18	(123,183)	89,261
Total Profit for the Period		2,711,624	2,638,228
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>			
Fair Value revaluation of land	17	-	800,000
Other comprehensive income for the period		-	800,000
Total comprehensive income / (loss) for the year			
Comprehensive income attributable to members	17	2,711,624	3,438,228
Total comprehensive income for the period attributable to members of Melbourne Football Club Limited		2,711,624	3,438,228

*Two AFLW seasons in 2022 (one in 2021)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 October 2022	Note	Consolidated	
		2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	5	12,494,833	9,563,933
Trade and other receivables	6	565,046	786,828
Inventories	7	320,562	407,445
Other assets	8	91,455	228,796
Financial Investments		-	500,000
Assets held for sale	12	23,700,000	23,300,000
TOTAL CURRENT ASSETS		37,171,896	34,787,002
NON CURRENT ASSETS			
Property, Plant and Equipment	9	1,730,954	1,435,900
Intangible assets	11	-	103,408
Investment accounted for using the equity method	13	91,447	96,930
Right-of-use Assets	10	654,418	1,135,572
TOTAL NON-CURRENT ASSETS		2,476,819	2,771,810
TOTAL ASSETS		39,648,715	37,558,812
CURRENT LIABILITIES			
Trade and other payables	14	4,279,510	6,099,438
Bentleigh sale deposit	12	2,370,000	-
Lease Liabilities		360,225	364,432
Provisions	16	843,193	738,081
Income received in advance		3,803,299	4,770,826
TOTAL CURRENT LIABILITIES		11,656,227	11,972,777
NON CURRENT LIABILITIES			
Lease Liabilities		448,342	752,216
Provisions	16	150,933	152,230
TOTAL NON-CURRENT LIABILITIES		599,275	904,446
TOTAL LIABILITIES		12,255,502	12,877,223
NET ASSETS		27,393,213	24,681,589
MEMBERS' FUNDS			
Asset Revaluation Reserve	17	14,600,000	14,600,000
Retained earnings	17	12,793,213	10,081,589
TOTAL MEMBERS' FUNDS		27,393,213	24,681,589

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

		Consolidated	
For the year ended 31 October 2022	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		54,015,827	47,163,823
Interest received		51,299	9,869
JobKeeper receipts		-	2,102,036
Payments to suppliers and employees		(53,076,245)	(40,823,828)
Interest on Lease Liabilities		(17,029)	(12,524)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		973,852	8,439,376
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(572,663)	(230,661)
Bentleigh sale deposit received		2,370,000	-
Net Proceeds/(Payments) from Financial Investments		500,000	-
Contribution to Equity Accounted Investment	13	(65,668)	(60,000)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		2,231,669	(290,661)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal Repayments of Lease Liabilities		(274,621)	(237,397)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		(274,621)	(237,397)
Net increase/(decrease) in cash held		2,930,900	7,911,318
Cash at the beginning of the year		9,563,933	1,652,615
CASH AT THE END OF THE FINANCIAL YEAR	5	12,494,833	9,563,933

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 October 2022	Consolidated		
	Retained Earnings	Asset Revaluation Reserve	Total Equity
	\$	\$	\$
BALANCE AS AT 1 NOVEMBER 2020	7,443,361	13,800,000	21,243,361
Net profit / (loss) for the year	2,638,228	-	2,638,228
Revaluation of Property, Plant & Equipment	-	800,000	800,000
Total comprehensive income for the period	2,638,228	800,000	3,438,228
BALANCE AS AT 31 OCTOBER 2021	10,081,589	14,600,000	24,681,589
BALANCE AS AT 1 NOVEMBER 2021	10,081,589	14,600,000	24,681,589
Net profit / (loss) for the year	2,711,624	-	2,711,624
Revaluation of Property, Plant & Equipment	-	-	-
Total comprehensive income for the period	2,711,624	-	2,711,624
BALANCE AS AT 31 October 2022	12,793,213	14,600,000	27,393,213

The accompanying notes form an integral part of these financial statements.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

Notes to the Financial Statements

Year ended 31 October 2022

1. Club Information

Melbourne Football Club Limited is incorporated in Australia and is a public company limited by guarantee. Statutory members of the Club guarantee its liabilities to the extent of \$5 each (refer note 2(t)).

The registered office and principle place of business of the Club is located at:

Melbourne Cricket Ground, Great Southern Stand
Brunton Avenue
East Melbourne VIC 3002

The principal activities of the Club are the playing and promotion of the game of Australian Rules Football and the operation of related facilities. The Club is a member of the Australian Football League.

The financial report of the Club for the year ended 31 October 2022 was authorised for issue in accordance with a resolution of the Directors on 5 December 2022.

2. Significant accounting policies

2.1 Basis of Preparation of Accounts

These general purpose consolidated financial statements have been prepared in compliance with the requirements of the *Corporations Act 2001* and *Australian Accounting Standards - Simplified Disclosures*. The Club is a not-for-profit entity for the purposes of preparing these consolidated financial statements. The consolidated financial statements, for the year ended 31 October 2022 are the first financial statements the Club has prepared in accordance with the *Australian Accounting Standards - Simplified Disclosures*.

The adoption of the *Australian Accounting Standards - Simplified Disclosures* has no significant impact in the consolidated financial statements because the Club's previous financial statements were prepared in compliance with the recognition and measurement requirements of Australian Accounting Standards.

The financial report is presented in Australian dollars, all values are rounded to the nearest dollar (\$), and is prepared on a historical cost basis.

2.2 Changes in accounting policy, accounting standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year.

New and amended standards and interpretations

The Club applied for the first time AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the financial year ended 31 October 2022. The Club intends to adopt these new and amended standards and interpretations, when they become effective.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

2.3 Basis of Consolidation

At 31 October 2022, the Melbourne Football Club ('MFC') financial statements are prepared on a consolidated basis. The consolidated financial statements comprise the financial statements of the Club and its wholly owned and controlled entities as at 31 October 2022. Control is achieved when the Club 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 Club controls an investee if, and only if, the Club 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 Club has less than a majority of the voting or similar rights of an investee, the Club 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 Club's voting rights and potential voting rights

MFC 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 Club obtains control over the subsidiary and ceases when the Club 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 Club gains control until the date the Club 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 Club 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.

2.4 Summary of significant accounting policies

(a) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the

proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred, and included in administrative expenses.

When the Club acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Club's operating or accounting policies and other pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

2.4 Summary of significant accounting policies (continued)

(b) Current versus non-current classification

The Club presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The terms of the liability that could, at the option of the counterparty, result in its settlement
- by the issue of equity instruments do not affect its classification.

The Club classifies all other liabilities as non-current.

(c) Revenue Recognition

Revenue from contracts with customers

AASB 15 Revenue from Contracts with Customers creates a detailed framework for determining whether, how much and when revenue is recognised. AASB 15 supersedes AASB 118 Revenue and related interpretations and it applied, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Revenue is recognised as or when each performance obligation is satisfied at the amount of the transaction price allocated to that performance obligation. If the consideration in the contract includes a variable amount, the amount of consideration to which the entity is entitled in exchange for transferring the goods or services to the customer is estimated. The estimated variable consideration is constrained such that it is highly probable that a significant reversal of revenue will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Club has adopted AASB 15 using the modified retrospective approach, and the Club has undertaken an assessment of the impacts of transitioning to AASB 15 on its sources of revenue

Revenues are detailed in Note 3 and comprise revenue earned from AFL dividends and distributions, membership, reserved seating, sponsorships, fundraising, gate receipts, corporate hospitality and gaming activities. Revenues are recognised at the fair value of the consideration received, net of the amount of goods and services tax (GST). Sponsorships involving contra arrangements are recognised as revenue equivalent to the fair value of the services provided by the sponsor. Interest income is recognised as it accrues using the effective interest method. Gaming revenue is recognised net of gaming wins and losses. Fundraising and membership income is accounted for on the basis of the period to which it relates. Income received in the year ended 31 October 2022, but relating to future accounting periods is carried on the Statement of Financial Position and will be recognised in the period in which it relates. It was assessed by the Club that performance obligations for all revenue streams outlined above occur significantly within the reporting period, and therefore the adoption of AASB 15 on recognition of revenue based on performance obligations do not impact the Club's current revenue recognition.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

2.4 Summary of significant accounting policies (continued)

(d) Property, Plant and Equipment

Cost

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. All acquisitions of property, plant and equipment and leasehold improvements are recorded at cost. Property, plant and equipment related to Land has been re-assessed during the 2021 year and is now recognised at fair value at the date of the revaluation, less any subsequent accumulated impairment losses (refer to Note 2 (y) and Note 9 for further details). Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Depreciation and Amortisation of Property, Plant and Equipment

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets, from the time the asset is held ready for use, as follows:

Furniture and fittings	10% - 33%
Computer hardware	25% - 33%
Computer software	33% - 40%
Plant and equipment	7.5% - 15%
Motor vehicles	12.5%
Gaming Machines	12.5% - 33%
Purchased memorabilia	20%

Leasehold improvements are amortised over the period of the Club's lease arrangements or the estimated useful life of the improvement, whichever is the shorter.

Items of purchased memorabilia are recorded at cost on acquisition.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end date and adjusted if appropriate on a prospective basis.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(f) Intangibles

Intangible assets acquired separately are measured on initial recognition at cost being the cash price equivalent.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss.

The useful lives of intangible assets are assessed to be finite and amortised over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of

consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gaming Entitlements are amortised over the life of the entitlement being 10 years (and were fully amortised during the year).

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

2.4 Summary of significant accounting policies (continued)

(g) 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 property, plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use and in the instance where indicators of impairment are present, an assessment of the current value of the assets was made on the basis of an earnings multiple.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For property, plant and equipment, impairment losses are recognised in the Statement of Comprehensive Income.

(h) Income tax

No income tax is payable by Melbourne Football Club Limited as it is an exempt sporting organisation in accordance with Section 50-45 of the *Income Tax Assessment Act 1997*.

(i) Provisions and employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled plus related on-costs

Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred. All superannuation guarantee legislative requirements are met.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

Expected future payments are discounted using market yields at 31 October 2022 on High Quality Corporate Bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST). The amounts reported for receivables and payables are inclusive of GST. The net amount of GST receivable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows from operating activities are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows applicable to investing and financing activities that are recoverable from, or payable to, the ATO are classified in operating cash flows.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

2.4 Summary of significant accounting policies (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Comparative Figures

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

(l) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(m) Trade and other receivables

Trade receivables, which generally have 0 - 30 day terms, are recognised and carried at original invoice amount less any allowance for impairment and/or credit notes issued. Collectability of trade receivables is reviewed on an ongoing basis. An allowance for impairment is made when there is objective evidence the

Club will not be able to collect the debts. The amount of the impairment loss is the receivable carrying amount compared to the value of estimated future cash flows. Bad debts are written off when identified. Non-current receivables are carried at the net present value of future cash flows they represent.

(n) Financial Asset Investments

Non-derivative financial instruments held by Melbourne Football Club comprise investments in equity and debt securities. A financial instrument is recognised if the Club becomes a party to the contractual provisions of the instrument. Financial Assets are derecognised if the Club's contractual rights to the cash flows from the financial assets expire or if the Club 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 (ie. The date that the Club commits itself to purchase or sell the asset).

Financial instruments held to collect that mature greater than 12 months after balance date are classified as non-current assets and are stated at amortised cost, with amortised capital expense from the investment recognised in the statement of comprehensive income. Financial Instruments held to collect that mature within 12 months of balance date are classified as current assets stated at amortised cost.

The financial investment assets are initially recognised at the cost price based on the quoted market price of the Financial Instrument at the date the club commits to purchase of the instrument, and are subsequently held at amortised cost.

(o) Trade and other payables

Trade and other payables are carried at cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Club prior to the end of the financial year that are unpaid and arise when the Club becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured.

(p) Interest-bearing loans and borrowings

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

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

2.4 Summary of significant accounting policies (continued)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate 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 Club has an unconditional right to defer settlement of the liability for at least 12 months after the Balance Sheet date.

Borrowing costs are expensed in the period they are incurred.

(q) Income received in advance

Income received in advance is recognised in line with the terms of specific contracts. Membership subscription income in advance is recognised in line with the membership subscription period and the service obligations of the Club.

(r) Interest in a joint venture

The Club has an interest in a joint venture, which is a jointly controlled entity, whereby the ventures have a contractual arrangement that established joint control over the economic activities of the entity. The Club recognise its interest in the joint venture using the equity method.

Under the equity method, the investment in the jointly controlled entity is carried on the statement of financial position at cost plus post acquisition changes in the Club's share of net assets of the jointly controlled entity.

Unrealised gains and losses resulting from transactions between the Club and the jointly controlled entity are eliminated to the extent of the interest in the associate.

The Club's share of the profit or loss of the jointly controlled entity is recorded in the income statement.

After application of the equity method, the Club determines whether it is necessary to recognise an additional impairment loss on its investment in its joint venture. The Club determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired.

(s) Members' liability on winding up

The Club is a company limited by guarantee and domiciled in Australia. Accordingly the liability of the members of the Club is limited. As stated in clause 2.2 of the Club's Constitution, if the Club is wound up each Member undertakes to contribute to the assets of the Club up to an amount not exceeding \$5 for payment of the debts and liabilities of the Club, including the costs of winding up. This undertaking continues for one year after a person ceases to be a Member.

(t) Leases

The Club assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Measurement of lease liabilities

At the commencement date of the lease, the Club recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include the following components:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index (CPI) or a fixed rate as outlined in the lease, initially measured using the index (CPI) or fixed rate as at the commencement date; and
- Lease payments with reasonably certain extension options

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

2.4 Summary of significant accounting policies (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases for the Club, the lessee's incremental borrowing

rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The incremental borrowing rate is calculated by applying the interest rate on the Club's external borrowings for a term near equivalent to the lease. If there are no borrowings that

mature within a reasonable proximity of the lease term, indicative pricing of where the Club can price a new debt issue for a comparative term is used in the calculation.

Measurement of right-of-use assets

The Club recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Club is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are tested for impairment.

Lease Term

The Club determines the lease term as the non-cancellable period of a lease, together with both:

- The periods covered by an option to extend the lease if it is reasonably certain to exercise that option; and
- Periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option

Short-term leases and leases of low-value assets

The Club applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (ie. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(u) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(u) Assets held for sale and discontinue operations

The Group classifies current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

2.5 Summary of significant accounting policies (continued)

complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 19 Discontinued operations. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

3. Significant accounting judgments, estimates and assumptions

In applying the Club's accounting policies management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Club. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Long service leave provision

As discussed in Note 2(k), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at balance date. In

determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account. The related carrying amounts are disclosed in Note 14.

Estimation of useful lives of assets

The estimation of the useful lives of assets including gaming machines has been based on historical experience and manufacturers warranties. In addition, the condition of the assets is assessed at least

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

	Consolidated	
	2022	2021
	\$	\$
3. Revenue from Continuing Operations		
Revenue from Football-Related Activities		
Gate Receipts	8,237,711	4,770,584
Distributions from the AFL	17,966,571	15,324,110
Merchandise	3,550,198	3,258,397
Membership, Annual Reserved Seating and General Fundraising	11,575,852	9,406,721
Sponsorship & Corporate Hospitality	11,713,227	7,975,816
AFL Finals Prize Money	218,582	1,100,000
Gosch's Paddock Fundraising	439,175	500,000
Other Revenue	927,503	635,490
Total revenue from Football-Related Activities	54,628,819	42,971,118
Revenue from other activities		
Grant funding	355,500	-
Total Revenue from Other Activities	355,500	-
Total Revenue	54,984,319	42,971,118
Timing of revenue recognition		
Revenue recognised at a point in time	13,510,088	9,164,470
Revenue recognised over time	41,474,231	33,806,648
Total Revenue from Other Activities	54,984,319	42,971,118
Other Income		
Interest	51,299	9,869
JobKeeper Receipts	-	1,605,236
Total Other Income	51,299	1,615,105

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

	Consolidated	
	2022	2021
	\$	\$
4. Expenses		
<i>Finance Costs</i>		
- Interest Expense on Lease Liabilities	17,029	12,524
Total finance costs	17,029	12,524
<i>Employee benefits expense</i>		
Salary, wages and termination expense	32,755,336	25,739,094
Employee Costs eligible through JobKeeper	-	1,605,236
Superannuation expense	2,183,558	1,827,211
Total Gross employee benefits expense	34,938,894	29,171,541
JobKeeper Receipts	-	1,605,236
Total Net employee benefits expense	34,938,894	27,566,305

5. Cash and Cash Equivalents

Cash at bank and in hand	7,994,833	9,563,933
Short-term deposit	4,500,000	-
	12,494,833	9,563,933

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposit is a 90 days' notice deposit and earns interest at the short-term deposit rates.

Reconciliation to statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand as at 31 October 2022:

Cash at bank and in hand	7,994,833	9,563,933
Short-term deposit	4,500,000	-
Cash and cash equivalents	12,494,833	9,563,933

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

	Consolidated	
	2022	2021
	\$	\$
6. Trade and Other Receivables		
Receivables from third-party customers	565,046	786,828
	565,046	786,828

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days for third-party customers and 14 days for related parties.

(a) Movements in the provision for impairment loss were as follows:

Opening balance	1,155	1,155
Charge for the year	-	-
Previously recognised doubtful debts written off	-	-
Amounts recovered	-	-
Closing balance	1,155	1,155

7. Inventories

Merchandise	298,979	364,542
Food and beverage	21,583	42,903
	320,562	407,445

(a) Cost of Sales

Cost of Sales for the year ended 31 October 2022 totalled \$1,983,836 (FY21: \$1,780,718) for the Club.

During 2022, \$348,359 (2021: \$nil) was recognised as an expense for inventories carried at net realisable value.

Inventory assets (amongst other assets) have been pledged as security for commercial bill liabilities as disclosed in Note 15.

8. Other Assets

Prepayments	91,455	228,796
	91,455	228,796

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

	Furniture and Fittings	Plant and Equipment	Leasehold Improvements	Motor Vehicles	Purchased Memorabilia	Gaming Machines	Capital Works	Total PP&E
Cost at 1 November 2021								
Opening balance	474,401	2,240,683	917,324	36,472	113,090	1,796,472	-	5,578,442
Revaluation	-	-	-	-	-	-	-	-
Additions	43,331	234,768	38,047	38,374	-	-	1,111,848	1,466,368
Transfer	-	-	-	-	-	-	(563,778)	(563,778)
Disposals / Retirements	-	(1,846)	-	-	-	(1,796,472)	-	(1,798,318)
At 31 October 2022	517,732	2,473,605	955,371	74,846	113,090	-	548,070	4,682,714
Accumulated depreciation at 1 November 2021								
Opening balance	301,499	1,882,663	397,595	9,385	113,090	1,438,311	-	4,142,543
Depreciation for the year	45,394	157,190	28,819	16,125	-	101,239	-	348,767
Disposals / Retirements	-	-	-	-	-	(1,539,550)	-	(1,539,550)
At 31 October 2022	346,893	2,039,853	426,414	25,510	113,090	-	-	2,951,760
<i>Net book value</i>	170,839	433,752	528,957	49,336	-	-	548,071	1,730,954

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

10. Leases

Group as a Lessee

The Group has lease contracts for premises and vehicles used in its operations. Leases of premises generally have lease terms between 3 and 5 years, while motor vehicles generally have lease terms between 5 and 10 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings	Gaming Machines	Motor Vehicles	Total
10. Right-of-use Assets				
As at 1 November 2021	1,011,105	86,081	38,386	1,135,572
Additions	-	-	-	-
Depreciation	(383,130)	(86,081)	(11,943)	(481,154)
As at 31 October 2022	627,975	-	26,443	654,418

Presented below is a maturity analysis of future lease payments

	Consolidated	
	2022	2021
	\$	\$
Not later than 1 year	360,225	364,432
Later than 1 year and not later than 5 years	448,341	752,216
Later than 5 years	-	-
	808,566	1,116,648

The following have been recognised in the profit or loss statement:

	2022	2021
	\$	\$
Depreciation expense of right-of use-asset	481,154	289,983
Interest expense on lease liabilities	17,029	12,254
As at 31 October 2022	498,183	302,237

There were no expense relating to short-term leases and leases of low-value assets recognised in profit or loss during the year ended 31 October 2022 (2021: \$nil).

The Group had total cash outflows for leases of \$274,621 in 2022 (2021: \$237,397).

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

	Consolidated	
	2022	2021
	\$	\$
11. Intangible Assets		
Year ended 31 October		
Opening balance net of accumulated amortisation and impairment	103,408	233,808
Amortisation – Bentleigh Club	(103,408)	(130,400)
Closing balance net of accumulated amortisation and impairment	-	103,408
At 31 October		
Cost (gross carrying amount)	103,408	1,303,998
Accumulated amortisation and impairment	(103,408)	(1,200,560)
Net carrying amount	-	103,408

Bentleigh Club

The Club acquired the Bentleigh Club's gaming machine entitlements through its merger with the Bentleigh Club on 5 October 2011. The Bentleigh Club acquired 88 gaming machine entitlements (GME) from the State Government during the year ended 31 October 2010.

The useful life of the intangible asset is in line with the expiry of the gaming entitlements in August 2022. This asset has been amortised on a straight-line basis over the 10 years.

During the 2018 Financial Year, the Club was invited to extend its gaming machine entitlements for the Bentleigh Club for a further 10 years. The Club made the decision not to extend its entitlements and as a result, gaming operations concluded at the Bentleigh Club in August 2022.

12. Assets held for sale

Assets held for sale	23,700,000	23,300,000
	23,700,000	23,300,000

In September 2021, the Club entered into contract of sale for Bentleigh Club for \$23.7m. The sale settled in November 2022. Incremental costs to sell the Bentleigh Club of \$0.3m were incurred during the year ended 31 October 2022, in addition to those estimated at the end of the previous financial year. These incremental costs have been expensed in the Statement of Comprehensive income. A \$2.37m deposit has been received in relation to the sale of the Bentleigh Club in 2022. This is presented as a current liability on the Club's balance sheet, however is a service obligation (settlement of the Bentleigh Club sale) rather than a cash outflow.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

13. Investment accounted for using the equity method

On 17 November 2010, a Shareholder Agreement was executed with the tenants of AAMI Park which gave the Club ownership of 33% of the T Class Shares in Melbourne Sports Operations Pty Ltd ("MSO"). The execution of this agreement was for the purpose of the tenants at AAMI Park to share in the investment and costs associated with shared facilities.

	Consolidated 2022 \$	2021 \$
Opening investment in joint venture	501,243	441,243
Cash (distribution received)/ injection	65,668	60,000
Investment in joint venture	566,911	501,243
Retained earnings	(404,613)	(341,909)
Share of the joint venture's profit or (loss):		
Loss	(70,852)	(62,704)
Carrying value of investment in jointly controlled entity	91,446	96,630

14. Trade and Other Payables

Trade creditors	(a) 1,925,073	2,987,737
Other creditors and accruals	2,193,702	2,855,425
GST Payable (Net)	160,735	256,276
	4,279,510	6,099,438

(a) Terms and Conditions

(i) All payables are non-interest bearing.

(ii) Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

15. Interest Bearing Loans and Liabilities

(i) Operating Facility

The facility provides the Club to draw funds up to a limit of \$4.5m as a commercial bill facility. The commercial bill facility remains undrawn (FY21: undrawn) as at 31 October 2022.

The facility has an expiry date of 31 December 2023, after having renewed the facility agreement with Westpac Banking Corporation on 28 October 2022. Whilst there is no amount drawn on this facility at year end, if an amount was drawn it would be classified as a non-current liability given the facility expiry date extends beyond 12 months.

(iii) The carrying amount of the Club's borrowings approximates their fair value.

Capital Management

When managing capital, management's objective is to ensure the Club continues as a going concern, and has available funds to execute the Club's operational and strategic activities. The capital structure of the Club during the year consisted of no debt as disclosed above, cash and cash equivalents and holdings in Financial Instrument Investments.

The Club is not subject to any externally imposed capital requirements. The Club is prohibited by its Constitution from making distributions to members.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

16. Provisions

	Annual Leave \$	Long Service Leave \$	Total \$
Current	482,979	360,214	843,193
Non-current	-	150,933	150,933
At 31 October 2022	482,979	511,147	994,126
Current	419,224	318,857	738,081
Non-current	-	152,230	152,230
At 31 October 2021	419,224	471,087	890,311

Consolidated	
2022	2021
\$	\$

17. Retained Earnings & Reserves

Retained earnings at beginning of financial year	10,081,589	7,443,361
Net profit	2,711,624	2,638,228
Retained earnings at end of financial year	12,793,213	10,081,589

OCI Items

The disaggregation of changes of OCI by each type of reserve in equity is shown below:

Asset Revaluation Reserve

Opening asset revaluation reserve	14,600,000	13,800,000
Revaluation of Land held within PPE	-	800,000
Closing asset revaluation reserve	14,600,000	14,600,000

18. Discontinued Operations

In September 2021, the Club announced its decision to sell the Bentleigh Club with settlement of the transaction occurring on 2 November 2022. The results of the Bentleigh Club for the year are presented below:

	2022 \$	2021 \$
Revenue	2,024,069	2,143,768
Operating Expenses	(2,147,254)	(2,054,507)
Profit/(loss) for the year from discontinued operations	(123,183)	89,261

The net cash flows generated/(incurred) by the Bentleigh Club disposal group are as follows:

Net cash flows	(56,500)	147,257
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Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

AFL Player & Coaches Commitments:

In relation to the future seasons, the Club has a liability for player and coaching contracts which comply with AFL regulations. Included in this, the following commitments exist in relation to signed player and coaches contractual arrangements. This excludes player payments associated with contingent performance obligations which are deemed not to be reliably measurable. These contingencies will only arise subject to the inclusion of the players on the Club's official list and performances.

Player and Coaches payments are substantially underwritten by the AFL in accordance with the Collective Bargaining Agreement between the AFL and the AFL Players Association.

- Not later than 1 year	17,497,204	15,780,350
- Later than 1 year but not later than 2 years	12,870,000	10,640,125
- Later than 2 years but not later than 8 years	21,935,000	15,617,500
	52,752,204	42,037,975

20. Remuneration of Auditors

Remuneration of Ernst & Young for audit of the financial reports of the Melbourne Football Club Limited:

	2022	2021
	\$	\$
Remuneration for financial statement audit services	78,421	67,740
Remuneration for other audit services	46,900	19,000

21. Remuneration of Key Management Personnel

In 2022 the key management personnel of the Club were the Board of Directors, Chief Executive Officer, Chief Operating Officer, Chief Commercial Officer, GM AFL Football Performance and the Senior Coach.

Under the Club's constitution, remuneration for Directors of the Club is not permitted and there has been no remuneration paid to Directors in the financial year.

	Consolidated	
	2022	2021
	\$	\$
Compensation for Key Management Personnel		
Salaries	3,048,676	2,742,867
Total Compensation	3,048,676	2,742,867

22. Related Parties

Directors and director-related entities

The names of the persons who were Directors of the Club for all or part of the financial year are listed below.

Kate Roffey
John Trotter
Mohan Jesudason
David Robb
Steve Morris
David Rennick
Brad Green
Sally Freeman

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

Certain director related transactions occur within a normal customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the Club would have adopted if dealing with the director or director-related entity at arm's length in similar circumstances.

	Consolidated	
	2022	2021
	\$	\$
Corporate amounts purchased from the Club:		
Kate Roffey	-	-
John Trotter	7,528	-
Mohan Jesudason	2,324	-
David Robb	784	-
Steve Morris	8,959	-
David Rennick	22,774	18,895
Brad Green	2,093	-
Sally Freeman	917	-

23. Financial Instruments

This note presents information about the Club's exposure to financial risks, the Club's objectives, policies and the processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

The Club's principal financial instruments comprise cash and cash equivalents, receivables, payables, interest bearing liabilities, financial instrument investments and overdrafts.

Fair values

The fair values of the Club's financial instruments are materially consistent with the carrying amounts recognised in the financial statements.

Risk exposures and responses

(a) Interest rate risk

The Club's exposure to market interest rates relates predominately to the Club's holding of cash and cash equivalents.

The main risks arising from the Club's financial instruments are interest rate risk, credit risk and liquidity risk. The Club uses different methods to measure and manage these risks including assessment of market forecasts for interest rate risk, aging analysis to monitor credit and cash flow forecast to monitor liquidity risk.

The Club manages its exposure to key financial risks through monthly financial reporting. The objective of this reporting is to support the delivery of the Club's financial targets whilst protecting future financial security.

(b) Foreign currency risk

The Club has no exposure to foreign currency risk.

Notes to the Consolidated Financial Statements (continued)

Year ended 31 October 2022

(c) Liquidity risk

Liquidity risk is the risk that the Club will not be able to meet its financial obligations as they fall due. The Club's objective is to maintain a balance between continuity of funding and flexibility through the use of term loans.

The Club's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Club's reputation. The Club monitors cash flow requirements daily, ensuring there is sufficient cash on demand to meet expected operational expenses.

(d) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Club is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments held.

The Club's approach to credit risks with regards to trade receivables is based on established protocols in place for review of receivable ageing. Assessment is not performed using the expected credit loss model as it is not considered material to the financial statements, and collectability is not considered high risk.

Credit Risk in regard to Financial Instruments held are managed by the Club's Investments Sub-Committee. Investment decisions (including changes in investment composition) is reviewed and approved by the Investment Sub-Committee, and subsequently the Board, before investments are made. The Club invests only on quoted debt securities with very low credit risk. These factors are taken into consideration by management in mitigating risk of financial loss through a counterparty's potential failure to make payments.

24. Economic Dependency

The Melbourne Football Club Limited is economically dependent on the ongoing support of the Australian Football League through receipt of distributions and dividends.

25. Events after the Balance Sheet Date

On 2 November 2022, the sale of Bentleigh Club was successfully completed in line with contracted price of \$23,700,000.

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected the results of operations or the Club's state of affairs for the year ended 31 October 2022.

Directors' Declaration

In accordance with a resolution of the Directors of the Melbourne Football Club Limited, we state that:

In the opinion of the Directors:

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

On behalf of the Board



Kate Roffey



John Trotter

Melbourne
5 December 2022

Independent Auditor's Report to the Members of Melbourne Football Club Limited

Opinion

We have audited the financial report of Melbourne Football Club Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 October 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

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

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 October 2022 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Simplified Disclosures 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 auditor independence requirements of 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 is the directors' report accompanying the financial report.

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

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

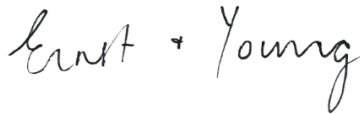
The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to 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 relating 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.



Ernst & Young



Alison Parker
Partner
Melbourne
5 December 2022

