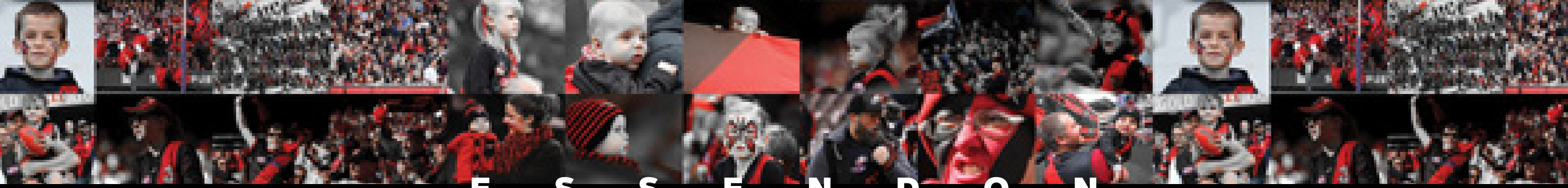

E S S E N D O N

Mighty Moments
Mighty Bombers

2019 Annual Report

DON THE SASH

EVERYONE MATTERS PURPOSE IN EVERYTHING NO FINISH LINE


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President's Report

It's hard to believe another season has passed us by, and we remain strengthened by the enormous support of our own membership base.

By June, the Club was proud to announce an all-time membership record, passing the 80,000-member mark for the first time in the Club's rich history with the final tally at 84,567.

On behalf of the Board, I would like to thank you for your commitment and loyalty to the Essendon Football Club. It's strong. It's profound. It's cherished.

Your support is our strength.

Like our members, we are hungry for success. We are collectively aligned, and committed, to achieving the ultimate success. We aren't committed to building this AFL football program to merely secure a sole finals victory. Rest assured, we are implementing several measures to best place this club for sustained success.

> **" YOUR SUPPORT IS OUR STRENGTH. "**

In what has been a heavily planned and aligned transition, we announced in September the Club's senior coaching succession plan for 2020, with Ben Rutten to assume the reins at the end of the season from John Worsfold.

This process has been well documented, but it is the Club's responsibility to consider the short, medium and long-term.

Stability is a core principle of what a successful football club looks like and that was the fundamental principle. There is no doubt this transition will give the Club an opportunity to enter this next phase seamlessly with complete buy in and support from our coaching panel and playing group more broadly.

I'd like to reiterate a simple message to our members. The 2020 season is not a holding pattern. There is a genuine air of excitement and commitment at The Hangar for this next phase at our football club and we already eagerly await the first bounce in Round 1 against Fremantle at Marvel Stadium next year.

The recent AFL Trade Period has just concluded, and it is our pleasure to welcome both Andrew Phillips (Carlton) and Tom Cutler (Brisbane) respectively. At the time of print, we are also set to welcome a number of new draftees to the Club, whose boyhood dreams will come true when their name are called out on draft night.

Yet with arrivals come several departures – on behalf of the Club I'd like to thank Mitch Brown, Ben McNiece, Jordan Houlahan, Jake Long, Trent Mynott, Zac Clarke, Tom Jok, David Myers, Matt Dea, Mark Baguley and Michael Hartley for their service to the red and black.

I'd like to congratulate VFL Coach Dan Jordan and his team for a 2019 campaign that saw the side fall just one step short of a Grand Final berth. It was a tremendous season and we know you will go one better next year.

In a year of vast improvement, I wish to also acknowledge VFLW Coach Brendan Major and his side, who put an end to their 2019 home-and-away season in ninth place with six wins – five more than the previous year.

Our club is more than just AFL/VFL/VFLW football, with the Victorian Wheelchair Football League (VWFL) Team having success in their own right throughout the year – thank you to all members of this side who make an incredible contribution to the red and black.

The AFL competition has never been more even. We are mere custodians of this football club, and we wish to leave it in better shape than when we arrived. We must continually look at ways of improving, both on and off the field for all facets of this Club.

As such, works are now underway for the second stage of the multi-purpose expansion of The Hangar.

Interested members and supporters should visit the Club's website for updates on the project. We expect The Hangar project to be completed by 2021 to align with our celebration of the 150th year of the Club.

With vital funding to support this project, the Club remains in a financially strong position. This year, we announce a modest profit of $3.534 million, but the Club's business model remains sound as we continue to drive increased investment into our core business as well as key strategic initiatives to best position the Club for future growth.

We remain grateful for the support of our wonderful major partners including Fujitsu Australia and Amart Furniture. I'd also like to proudly welcome our new partner in leading global sports brand, Under Armour, who have signed on with the Bombers for at least the next five years.

On behalf of the Board, I acknowledge the work of our Chief Executive Officer Xavier Campbell and his Executive team, as well as the administration staff. I would also like to highlight the support of our various coterie groups, as well as supporter groups and volunteers.

I'd also wish to acknowledge Chris Pehlivanis, the Club's recently departed Chief Financial Officer. After eight years of service to the Club, he has assumed the reins as CEO of the cross-code A-League team, Western United. We wish Chris and his family well for the future.

Finally, to our members. We thank you once again for your continued support. Please continue to sign up with one of our Mighty Bombers memberships next season.

We look forward to seeing you at the footy in 2020.

Go Bombers!

Lindsay Tanner
President

Finance Director's Report

Financial Results

The year ended 31 October 2019 was mixed from a financial viewpoint. While the result was significantly lower than last year, the club remains in a strong financial position as we move into 2020.

2019 was a year where, after a period of building stability, we purposely increased spend in key strategic areas – including our core business, football, as well as preparation for the next phase of our facility expansion.

Our reported result for 2019 is a profit of $3.534 million, compared to a profit of $2.321 million in 2018.

Included in the results of both years are grants and donations, which are significantly higher than we would normally receive due to our Hangar expansion project. The 2018 result also included an abnormal gain on the sale of Beyond Sport. The following table demonstrates the impact of these items:

		2019 $000	2018 $000
Net profit per the financial statements		3,534	2,321
Less	Grants and Donations (net of costs)		
	- Normal	(437)	(283)
	- Additional Capital Campaign	(3,474)	(171)
	Gain on sale of Beyond Sport	-	(650)
Profit/(Loss) before donations and abnormal gains		(377)	1,217
Add: Depreciation & Amortisation		3,310	3,349
Cash Profit before donations and abnormal gains		2,933	4,566

Excluding all donations from the table obviously presents a conservative view, as we would always expect a level of non specific donations. However, even without donations, the table demonstrates a very strong level of cash generation which, after allowing for a normal level of capital spend ($1.6 million in 2019), still underpins our ability to service borrowings and repay them within a reasonable timeframe.

Some of the more significant items affecting the 2019 result were as follows:

- A net increase in membership revenue of $360,000, reflective of an additional 5,000 members.
- An increase of $805,000 in revenue from commercial partners, which includes revenue from our new major sponsor, Amart Furniture.
- An increase of $673,000 in match receipts/stadium revenue.
- Disappointing results from some of our major events. Our decision to maintain ticket prices at virtually the same level as in 2018, coupled with a slight reduction in attendances, saw a net reduction of $289,000.
- An increase of $1,100,000 in player payments, net of AFL contributions, pursuant to the player collective bargaining agreement.
- An increase of $500,000 in other football related costs.
- A decrease of $840,000 in net income from our non-football related revenue streams, including our gaming venues.

Capital Campaign Fundraising

The capital campaign to finance The Hangar expansion project has seen an outstanding outcome in 2019. An additional $7.6 million was received during the year, including a Federal Government grant of $4 million to be applied to additional facilities to be shared with the Paralympics Australia. Amounts pledged to date in relation to the project total $13.3 million. Construction on the project has commenced, with expenditure to date amounting to $1.3 million.

Financial Position

At 31 October 2019, the Net Assets of the club were $39.6 million, compared with $36 million in 2018. While the club has available $11.85 million of bank finance facilities, none of these had been drawn down at 31 October 2019. On the contrary, we had a cash balance of $6.3 million. This primarily results from donations and grants received in advance in relation to The Hangar expansion project.

Construction of the expansion is now commencing in earnest, which will see us accessing our borrowing facilities in 2020. We expect our cash flows to remain high and allow us to comfortably service this debt and repay it within a reasonable timeframe.

Governance

The Audit, Risk & Integrity Committee, which I chair in my role as Finance Director, met formally three times during the year and involved people from all parts of the Club, as well as a number of external experts, in our oversight of the Club's governance. The charter of the Audit, Risk & Integrity Committee, together with the major features of our governance systems, can be found on the Club's website at essendonfc.com.au/our-club/efc-board.

Conclusion

Your club is in a strong financial position at 31 October 2019, well placed to support our players as they strive for the ultimate on-field success and with a strong base from which to launch our Hangar expansion project. I would like to thank all who have helped us get to this position including staff, members, sponsors and other stakeholders.

Paul Brasher
Finance Director

Director's Report

Your Directors present their report on Essendon Football Club (the "Company") for the year ended 31 October 2019.

1. Directors

The names of the directors in office at any time during or since the end of the year are:

L. Tanner *(President)*	P. Allen *(appointed 28 March 2019)*	P. Brasher	D. Barham	M. Green	*K. Lay (resigned 30 June 2019)*
C. Lio	S. Madden	A. Muir	*K. O'Sullivan (appointed 6 August 2019)*	S. Wellman	

All of the directors have been in office since the start of the financial year, unless stated otherwise.

2. Principal Activity

The principal activity of the Company during the course of the financial year was to conduct the Essendon Football Club and manage its affairs and to promote the Australian game of football. There were no significant changes in the nature of the principal activities during the financial year.

3. Objectives and Strategies of the Company

Our objective is to be a thriving professional sporting club delivering consistent top 4 performance in all key on and off field measures.

The Company's short term (2020) objectives are to:

- Execute our football strategy to drive performance
- Build best practice member and supporter experience
- Continue to re-establish the club as the benchmark community club
- Improve financial position while continuing to invest in strategic initiatives as well as our training and administration facilities
- Further strengthen key stakeholder relationships
- Continue to focus on innovation and growth

The Company's medium term (2021-2022) objectives are to:

- Deliver best practice member and supporter experience
- Embed the EFC football strategy and culture, to deliver sustained success
- Maximise and leverage key commercial relationships
- Deliver best practice community outcomes, participation and engagement
- Maximise investments and return the club to a position of financial strength
- Drive and execute purposeful innovation to deliver new revenues
- Proactively engage broader industry stakeholders
- Focus on maximising high performance culture across the entire business

We are always striving to make our people proud.

4. Operating Result

For the year ended 31 October 2019 the Company had an operating profit of $3,533,737 (2018: $2,321,871).

5. Meetings of Directors

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors during the financial year are:

NAME OF DIRECTOR	DIRECTORS' MEETINGS		AUDIT, RISK & INTEGRITY COMMITTEE MEETINGS		NOMINATIONS COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
L. Tanner	16	16	-	-	-	-	-	-
P. Allen	11	11	1	1	-	-	-	-
D. Barham	16	16	3	3	-	-	-	-
P. Brasher	16	16	3	3	-	-	1	1
M. Green	16	13	-	-	-	-	-	-
K. Lay	9	7	2	1	2	2	1	1
C. Lio	16	16	-	-	3	3	1	1
S. Madden	16	16	-	-	-	-	-	-
A. Muir	16	13	-	-	3	3	1	1
K. O'Sullivan	5	5	1	1	-	-	-	-
S. Wellman	16	15	-	-	-	-	-	-

6. Information on Directors

LINDSAY TANNER – President
Bachelor of Laws, Master of Arts

Lindsay joined the Board in 2015. He was MP for Melbourne in the Australian Parliament from 1993 to 2010 and Finance Minister from 2007 to 2010. Currently he works as a special advisor to Lazard, a financial advisory and asset management firm and is also a Board member for Virgin International Australia and Suncorp and chairs the Mitchell Institute for Health and Education Research. Lindsay was previously the Club's number one ticket holder from 2009-2010.

PETER ALLEN
Bachelor of Applied Science (Valuation); AAICD

Peter joined the Board in March 2019 and has diverse commercial, finance, leadership and community experience. Peter is an executive Director and Chief Executive Officer of Scentre Group. Prior to the establishment of Scentre Group in 2014, Peter was an executive Director and Chief Financial Officer of Westfield Group. Peter is Chairman of the Shopping Centre Council of Australia and a Director of the Victor Chang Cardiac Research Institute. He is a member of the President's Council of the Art Gallery of NSW and is a member of the Property Council of Australia including his role as a Property Male Champion of Change.

PAUL BRASHER – Vice-President and Finance Director
Bachelor of Economics (Hons), FAICD

Paul was appointed to the Board in October 2011 and is Vice-President and Finance Director of the Club. He also serves as Chair of the Audit, Risk & Integrity Committee and is a member of the Remuneration Committee. Paul was a Partner in the accounting and professional services firm PricewaterhouseCoopers from 1982 to 2009. He chaired the Australian firm and was Chairman of the global Board of PwC from 2005 to 2009. Paul was previously Chairman of Incitec Pivot Limited and a Director of Amcor Limited. He is currently a Board member of Teach For Australia. He was previously Chairman of the Reach Foundation and a number of other philanthropic organisations and a Board member of the Victorian Arts Centre Trust.

Director's report (continued)

DAVID BARHAM

David joined the Board in December 2015. He has over 40 years experience in the Television industry. David has been responsible for the broadcast of nine AFL Grand Finals for the Ten and Seven Networks, as either a Producer, Executive Producer and Head of Sport. David has also been responsible for Commonwealth Games Broadcasts from India and Scotland, Olympics from Sochi in Russia as well as 6 Australian Grand Prix. David has produced five years of the Big Bash and is one of the most experienced television executives in Australia.

MELISSA VERNER GREEN

Women on Boards, Succeeding as a Corporate Director, Harvard Business School 2018

Melissa joined the Board in December 2017 and is Chair of the Women's Football Governance Committee, and a member of the Essendon Executive Club and Women's Network Coterie groups. Melissa is National Agency Lead at Facebook Australia . Previously she was Head of Melbourne Agency & Government. She is a digital marketing thought leader and has 30 years-experience in the media/marketing/tech industry. She was recently appointed to the Women Leaders Advisory Board to provide strategic advice and direction to support, grow and connect communities of women leaders across Australia, New Zealand, Singapore and Hong Kong. She previously held a board position at Starlight Children's Foundation, Victoria.

KATIE (CATHERINE) LIO

AAICD

Katie Lio is the Chief Operating Officer at WORK180, where she is responsible for the operating processes across the business, driving product innovation & prioritisation, and general support of all departments. Katie has previously overseen the digital platform strategy and development at Sensis and led the launch of Apple Music in Australia at Telstra - the first ever service partnership with Apple globally. Katie was elected to the Board in 2014 and was recently appointed President of the Essendon VFLW program.

SIMON MADDEN

Diploma of Teaching, Grad Dip. Special Ed.

Simon was elected to the Board in 2013. He played 378 games for the Club and played in the 1984 and 1985 Premiership teams. He is a Life Member of the Essendon Football Club, the AFL and the AFL Players' Association. He is also a member of the Essendon Hall of Fame and the AFL Hall of Fame. Originally a teacher, Simon has worked in business for 20 years. He runs his own business-coaching consultancy, Simon Madden Consulting, specialising in "Sustainable High Performance". He has previously been the President and a Director of the AFL Players Association.

ANDREW MUIR

Bachelor of Economics, Post Graduate Diploma of Financial Management, Advanced Management Program – Harvard Business School

Andrew joined the Board in 2015. He is Chair of the Nominations & Remuneration Committees. He is a successful business leader and philanthropist with over 25 years of retail, leadership, strategic and management experience. He served as Executive Chairman of The Good Guys from 2005 to 2017 after being CEO of The Good Guys from 1993. Andrew is also co-founder of the national Best Friends Pet Supercentres chain, the founder of the digital timeline app Momatu, and the founder and director of The Good Foundation - a not-for-profit which promotes good health and nutrition, including being the sole licensee of Jamie's Ministry of Food in Australia.

KATE O'SULLIVAN

Graduate AAICD, Grad Dip. Business Management, Grad Dip. Agribusiness

Kate joined the Board in August 2019. Kate brings a wealth of experience to the Board, with her most recent assignment as Chief Executive Officer of the Pegasus Leisure Group (subsidiary of the Melbourne Racing Club). Leading the management of a thirteen-venue hospitality enterprise, Kate expanded the group by completing multiple acquisitions and merging the new entities into the portfolio. She is also the Managing Director of Portishead Pty Ltd, specialising in executive coaching for women. Kate has held both state and national roles in the gambling, wagering and entertainment industry (Tabcorp Holdings) and has held a business strategy role in SE Asia based in Malaysia. She has held a Board member position at the Moonee Valley Racing Club and is also a member of the Marcus Oldham Agriculture College Council and Melbourne Girls Grammar School Foundation.

SEAN WELLMAN

B.App Science (Podiatry), Diploma of Business management and Finance.

Sean was elected to the Board in December 2017. He has been involved in the AFL industry for over 20 years as a coach (assistant) and player. He played 212 AFL games and was part of the Club's 2000 Premiership team and is a club life member. More recently he was a partner in the Waterside Group, which owned and operated hotels in Melbourne from 2004 to 2017. Sean currently runs his own Mortgage Broker business, Wellman Finance.

7. Auditor independence

A copy of the Auditor's Independence Declaration as required under s.307C of the Corporations Act 2001 is included in page 9 of this annual report.

8. Members' guarantee

The Company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $20 towards meeting any outstanding obligations of the Company. At 31 October 2019 the number of members was 84,567 (2018: 79,318).

Signed in accordance with a resolution of the Board of Directors.

L. Tanner	P. Brasher
Director	Director

Signed this 8th day of November 2019

Directors' Declaration

The Directors of the Essendon Football Club declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 , including:

    (a) giving a true and fair view of its financial position as at 31 October 2019 and of its performance for the year ended on that date; and

    (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

L. Tanner	P. Brasher
Director	Director

Signed this 8th day of November 2019

Independent Auditor's Report

Grant Thornton

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Melbourne Victoria
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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ESSENDON FOOTBALL CLUB

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Essendon Football Club for the year ended 31 October 2019, I declare that, to the best of my knowledge and belief, there have been:

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

GRANT THORNTON Audit Pty Ltd
Chartered Accountants

A. J. Pititto
Partner - Audit & Assurance

Melbourne, 8 November 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Essendon Football Club,

We have audited the financial report of the Essendon Football Club (the "Company"), which comprises the statement of financial position as at 31 October 2019, the statement of profit or loss and other comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a) giving a true and fair view of the Essendon Football Club financial position as at 31 October 2019 and of its performance for the year ended on that date; and

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

BASIS FOR OPINION

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

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

INFORMATION OTHER THAN THE FINANCIAL REPORT AND AUDITOR'S REPORT THEREON

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 October 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF THE DIRECTORS' FOR THE FINANCIAL REPORT

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

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

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

GRANT THORNTON Audit Pty Ltd
Chartered Accountants

A. J. Pititto
Partner - Audit & Assurance

Melbourne, 8 November 2019

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 October 2019

	Note	2019 $	2018 $
Revenues from operations	3(a)	**69,114,762**	65,092,072
Expenses from operations	3(b)	**(65,581,025)**	(62,770,201)
PROFIT FROM OPERATIONS		**3,533,737**	2,321,871
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of land		**-**	1,250,000
OTHER COMPREHENSIVE INCOME FOR YEAR		**-**	1,250,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,533,737**	3,571,871

Statement of Financial Position as at 31 October 2019

	Note	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	4	**6,358,508**	3,985,467
Trade and other receivables	5	**2,848,210**	1,358,008
Inventories		**394,704**	323,466
Other assets	6	**1,298,502**	1,786,065
TOTAL CURRENT ASSETS		**10,899,924**	7,453,006
NON-CURRENT ASSETS			
Other assets	6	**278,900**	139,450
Property, plant and equipment	7	**39,446,056**	39,427,996
Intangible assets	8	**1,025,883**	1,393,187
TOTAL NON-CURRENT ASSETS		**40,750,839**	40,960,633
TOTAL ASSETS		**51,650,763**	48,413,639
CURRENT LIABILITIES			
Trade and other payables	9	**2,266,474**	2,594,388
Provisions	10	**1,853,749**	1,847,038
Contract liabilities	11	**4,134,331**	3,786,067
Other liabilities	12	**3,745,780**	-
Finance lease liabilities		**26,464**	80,527
TOTAL CURRENT LIABILITIES		**12,026,798**	8,308,020
NON-CURRENT LIABILITIES			
Provisions	10	**10,572**	99,500
Finance lease liabilities		**-**	26,463
Borrowings	13	**-**	3,900,000
TOTAL NON-CURRENT LIABILITIES		**10,572**	4,025,963
TOTAL LIABILITIES		**12,037,370**	12,333,983
NET ASSETS		**39,613,393**	36,079,656
MEMBERS' FUNDS			
Accumulated funds		**27,585,064**	26,597,517
Asset revaluation reserve		**4,883,062**	4,883,062
Future capital funding reserve		**7,145,267**	4,599,077
TOTAL MEMBERS' FUNDS		**39,613,393**	36,079,656

Statement of Changes in Members' Funds for the year ended 31 October 2019

	Capital Funding Reserve $	Asset Revaluation Reserve $	Accumulated Funds $	Total Members' Funds $
BALANCE AT 31 OCTOBER 2017	3,972,633	3,633,062	24,902,090	32,507,785
Profit for the year	-	-	2,321,871	2,321,871
Other comprehensive income	-	1,250,000	-	1,250,000
TOTAL COMPREHENSIVE INCOME	-	1,250,000	2,321,871	3,571,871
Transfers between capital funding reserve and accumulated funds				
Hangar expansion fundraising and donations received during the year	**626,444**	**-**	**(626,444)**	**-**
BALANCE AT 31 OCTOBER 2018	**4,599,077**	**4,883,062**	**26,597,517**	**36,079,656**
Profit for the year	**-**	**-**	**3,533,737**	**3,533,737**
Other comprehensive income	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**3,533,737**	**3,533,737**
Transfers between capital funding reserve and accumulated funds				
Hangar expansion fundraising and donations received during the year	**3,636,623**	**-**	**(3,636,623)**	**-**
Hangar expansion fundraising and donations spent during the year	**(1,090,433)**	**-**	**1,090,433**	**-**
BALANCE AT 31 OCTOBER 2019	**7,145,267**	**4,883,062**	**27,585,064**	**39,613,393**

Statement of Cash Flows for the year ended 31 October 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, sponsors, supporters and other operations		**65,950,259**	65,877,621
Receipts from grants and donations		**7,988,313**	1,020,775
Payments to suppliers, employees and players		**(64,500,516)**	(59,654,829)
Finance costs		**(143,088)**	(215,372)
Interest received		**159,589**	163,590
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		**9,454,557**	7,191,785
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant and equipment		**(2,961,540)**	(2,673,132)
Payments for gaming entitlements		**(139,450)**	(139,450)
Receipts from sale of Beyond Sport		**-**	650,000
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(3,100,990)**	(2,162,582)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings and other financial liabilities		**(3,980,526)**	(3,080,527)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(3,980,526)**	(3,080,527)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS HELD		**2,373,041**	1,948,676
Cash and cash equivalents at the beginning of the financial year		**3,985,467**	2,036,791
CASH AND EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4	**6,358,508**	3,985,467

1. ESSENDON FOOTBALL CLUB

The Essendon Football Club (the "Company") is an unlisted public company limited by guarantee, incorporated in Australia, with a registered office and principal place of business at 275 Melrose Drive, Melbourne Airport, Victoria 3045. The liability of each member of the Company is limited to $20.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report of the Company was authorised for issue by the Directors on the 8th of November 2019. The Company is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgements and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data. Actual results may differ from these estimates.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(A) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have a significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 9 Financial Instruments

The Company has adopted AASB 9 from 1 November 2018. The adoption of AASB 9 did not have a significant impact on the financial performance or position of the Company other than a change related to the new impairment requirements of AASB 9 which apply an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

In addition to the above, the Company has early adopted AASB 15 Revenue from contracts with customers and AASB 1058 Income of Not-for-Profit Entities as disclosed below. No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted by the Company.

AASB 15 Revenue from contracts with customers

The Company has adopted AASB 15 from 1 November 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This is described further in the accounting policies below. The adoption of AASB 15 did not have a significant impact on the financial performance or position of the Company.

(A) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

AASB 1058 Income of Not-for-Profit

The Company has adopted AASB 1058 from 1 November 2018. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. This is described further in the accounting policies below. The adoption of AASB 1058 did not have a significant impact on the financial performance or position of the Company for prior periods, however early adoption has resulted in the recognition of an other liability as at 31 October 2019 for unspent grant funds received by the Company during the year for the Hangar Expansion (refer to note 12 for further details).

When adopting AASB 9, AASB 15 and AASB 1058, the Company has applied transitional relief and opted not to restate prior periods. There were no differences arising from the adoption of AASB 9, AASB 15 and AASB 1058, in relation to classification, measurement and impairment and no adjustments were made to recognised in opening retained earnings as 1 November 2018.

(B) INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The Directors assess inventory balances for impairment annually.

(C) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are brought to account at cost or at independent or Directors' valuation, less, where applicable, any accumulated depreciation or amortisation and impairment losses.

Land

Freehold land is shown at fair value, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Land is revalued at a minimum of every three years based on a valuation by external independent valuers. In the years in which an external independent valuation is not obtained the Directors update their assessment of the fair value of land at the end of the respective reporting period. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Directors consider information from a variety of sources. Land is not depreciated.

Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of land and decreases to the extent such decreases relate to an increase on the same asset previously recognised in equity.

Plant & equipment and leasehold improvements

Plant & equipment and leasehold improvements are measured at cost less depreciation, amortisation and impairment losses.

Memorabilia

Purchased memorabilia is carried at cost. Donated memorabilia is not recorded in the financial statements. Memorabilia collections are kept under special conditions to limit physical deterioration and they are anticipated to have a very long and indeterminate useful life. No amount of depreciation has been recognised in respect of purchased memorabilia collections as their service potential has not, in any material sense, been consumed during the period.

Depreciation

The depreciable amounts of all fixed assets including leasehold improvements, but excluding freehold land and memorabilia, are depreciated on a straight line basis over their useful lives to the Company, commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	2% - 20%
Plant & equipment	10% - 33.3%

Notes to the Financial Statements for the year ended 31 October 2019

2.STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

(E) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(F) OTHER FINANCIAL ASSETS

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Receivables

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

Impairment of financial assets

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

(G) EMPLOYEE ENTITLEMENTS

Provision is made for the Company's liability for employee entitlements arising from services rendered and other obligations. Employee entitlements expected to be settled within one year (entitlements arising from wages and salaries and annual leave) have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

(G) EMPLOYEE ENTITLEMENTS (CONTINUED)

Employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on high-quality corporate bonds with terms to maturity that match the expected timing of cash flows. Probabilities have been applied in the calculation of long service leave entitlements in order to estimate the likelihood of employees remaining with the Company until they are entitled to long service leave. These probabilities are based on historical trends and patterns. Employees with service in excess of 7 years have their long service leave liability included as a current liability as the Company does not have an unconditional right of deferral at balance date.

(H) INCOME TAX

Income tax has not been provided for in the accounts of the Company, as the Company is an exempt sporting organisation in accordance with Section 50-45 of the Income Tax Assessment Act.

(I) FOOTBALL EXPENSES

Football expenses include football department related costs including total player payments, coaching and support staff remuneration, recruiting costs and costs in respect of the standalone VFL and VFLW teams.

(J) REVENUE

The Company recognises revenue as follows:

Revenue from contracts with the members, sponsors, the Australian Football League and other parties (collectively referred to as "members and customers")

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

Rendering of services including members and customers

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or variable price based on separate performance obligations.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the member/customer obtains control of the goods, which is generally at the time of delivery.

Fundraising and donation revenue

Fundraising and donation revenue are recognised when the Company gains control of the funds and are only recognised as revenue when the funds have been provided to further the Company's objectives for no consideration or where consideration is significantly less than the funds provided and when the funds provided do not give rise to an obligation.

Grant revenue

Grant funds received by the Company to enable the Company to construct a recognisable non-financial asset to be controlled by the Company in accordance with AASB 1058 are recognised as an other liability on receipt and are recognised as revenue, over time, as the Company satisfies its obligation to construct the recognisable non-financial asset. This includes grants received in relation to the Hangar Expansion.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2.STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(J) REVENUE (CONTINUED)

Rent revenue

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established. The Company, as a private sector not-for-profit entity, has elected not to recognise the financial impact of any volunteer services provided.

(K) CONTRACT ASSETS AND LIABILITIES

Differences between the value of receipts from customers and the revenue recognised from contracts with customers are recognised as contract assets/ liabilities at the end of each reporting period. Contract liabilities as at 31 October 2019 primarily consist of member funds received in relation to the 2020 AFL Season.

(L) BORROWINGS

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(M) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

(N) LEASES

Operating leases

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Finance leases

Leases of plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(O) INTANGIBLE ASSETS

Gaming entitlements

Gaming entitlements acquired are recorded at cost less accumulated amortisation and impairment.

Gaming entitlements have a finite useful life of 10 years commencing 16 August 2012. The gaming entitlements are amortised, on a straight line basis, over a 10 year period.

(P) GAMING LIABILITIES

Gaming liabilities relate to instalment payments for the acquisition of gaming entitlements for the Windy Hill Venue and Melton Country Club. Gaming liabilities are included as non-current liabilities except those with maturities less than 12 months from the reporting date, which are classified as current.

Gaming liabilities are measured at amortised cost, using the effective interest method.

(Q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

(R) SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainty exists, as actual useful lives may differ from that estimated.

Impairment of property, plant and equipment

The Company assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Fair value measurement of land

At the end of each reporting period the Directors update their assessment of the fair value of land, taking into account the most recent independent valuations. The Directors determine the value of its land assets within a range of reasonable fair value estimates. Judgements and estimates are made in determining fair value and include consideration of recent prices of similar properties for land values, adjusted to reflect differences or rental income projections based on a property's estimated net income and a capitalisation rate derived from an analysis of market evidence.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Such liabilities are estimated based on either objective evidence or where objective evidence is not available, management's best estimate. Timing or the amount of the outflow may still be uncertain.

Notes to the Financial Statements for the year ended 31 October 2019

2.STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(S) FUTURE CAPITAL FUNDING RESERVE

This reserve is earmarked for future capital works of the Essendon Football Club. Increases to the reserve represent funds received during the year from donors initially recognised through profit or loss. Decreases to the reserve represent funds spent during the year in relation the capital works funded by donors.

(T) CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

3. RESULTS FROM OPERATIONS

	2019 $	2018 $
(a) REVENUE FROM ORDINARY ACTIVITIES		
OPERATING REVENUE		
AFL annual distribution revenue	**12,059,154**	12,079,819
AFL prize money revenue	**65,000**	-
Marketing revenue	**13,794,649**	12,913,923
Membership revenue	**14,239,407**	13,779,419
Merchandise - sale of goods	**1,313,927**	1,844,974
Match receipt and stadium revenue	**6,172,945**	5,437,539
Windy Hill Fitness Centre revenue	**4,014,000**	3,800,703
Venues revenue - sales of food & liquor	**4,996,035**	4,994,416
Venues revenue - other	**7,947,411**	8,299,752
TOTAL OPERATING REVENUE	**64,602,528**	63,150,545
NON-OPERATING REVENUE		
Fundraising and donation revenue*	**3,988,313**	1,020,775
Grant revenue	**254,220**	-
Interest revenue	**159,589**	163,590
Rent revenue	**110,112**	107,162
Gain on sale of Beyond Sport	**-**	650,000
TOTAL NON-OPERATING REVENUE	**4,512,234**	1,941,527
TOTAL REVENUE FROM OPERATIONS	**69,114,762**	65,092,072
(b) EXPENSES FROM OPERATIONS		
Administration expenses	**4,976,630**	4,611,990
Football expenses	**26,603,118**	24,957,531
IT expenses	**929,219**	811,368
Marketing expenses	**9,548,865**	8,762,334
Membership expenses	**4,555,956**	4,455,776
Merchandise - cost of sales	**590,312**	1,037,588
Rental expenses	**332,430**	334,841
Site expenses	**3,445,681**	3,420,213
Windy Hill Fitness Centre expenses	**3,151,705**	3,103,990
Venues expenses	**11,304,021**	11,059,198
Interest expenses	**143,088**	215,372
TOTAL EXPENSES FROM OPERATIONS	**65,581,025**	62,770,201
PROFIT FROM OPERATIONS	**3,533,737**	2,321,871

*Fundraising and donation revenue includes $3,636,623 of funds received from donors in relation to the Hangar Expansion (2018: $626,444)

Notes to the Financial Statements for the year ended 31 October 2019

3. RESULTS FROM OPERATIONS (CONTINUED)

	2019 $	2018 $
(c) PROFIT FROM OPERATIONS HAS BEEN DETERMINED AFTER:		
Charging as expenses:		
Depreciation of:		
- Plant and equipment	**1,350,110**	1,279,713
Amortisation of:		
- Leasehold improvements	**1,593,370**	1,701,820
- Intangibles	**367,304**	367,304
Venue cost of sales - food and liquor	**1,749,101**	1,650,049
Employee expenses	**21,520,073**	19,926,976

4. CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Current		
Cash on hand	**393,763**	410,882
Cash at bank	**5,964,745**	3,574,585
	6,358,508	3,985,467

5. TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Current		
Trade and sundry debtors	**2,896,388**	1,370,025
Less allowance for expected credit losses	**(48,178)**	(12,017)
	2,848,210	1,358,008

6. OTHER ASSETS

	2019 $	2018 $
Current		
Prepaid expenses and other assets	**1,298,502**	1,786,065
Non-current		
Deposits	**278,900**	139,450

7. PROPERTY, PLANT AND EQUIPMENT

	Note	2019 $	2018 $
Non-current			
Land - at independent valuation	(a)	**6,800,000**	6,800,000
Memorabilia - at cost		**451,642**	451,642
Plant and equipment - at cost		**16,873,321**	15,464,883
Accumulated depreciation		**(10,602,610)**	(9,252,501)
Accumulated impairment	(b)	**(11,903)**	(11,903)
		6,258,808	6,200,479
Leasehold improvements - at cost		**41,165,345**	41,151,787
Accumulated amortisation		**(15,974,351)**	(14,380,982)
Accumulated impairment	(b)	**(794,930)**	(794,930)
		24,396,064	25,975,875
Capital work in progress - at cost		**1,539,542**	-
TOTAL PROPERTY, PLANT AND EQUIPMENT		**39,446,056**	39,427,996

(a) Independent valuations of the freehold land parcels in Napier Street, Essendon, were undertaken on 26 September and 3 October 2018 by P.W. Stokes CEA FAPI FREI. This valuation was based on the market value of the land at the time. The Directors have determined that there has been no significant movement in the value of the land since the previously obtained independent expert valuation and that there are no indications of impairment in relation to the land.

(b) In accordance with the Accounting Standards, the vacated assets and space at Windy Hill, which are no longer being used for their original purpose by the football and administration departments, are impaired.

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and end of the financial year:

	Land $	Memorabilia $	Plant & Equipment $	Leasehold $	Capital work in progress $	**Total** **$**
OPENING BALANCE	6,800,000	451,642	6,200,479	25,975,875	-	**39,427,996**
Additions	-	-	1,408,439	13,559	1,539,542	**2,961,540**
Depreciation/amortisation expense	-	-	(1,350,110)	(1,593,370)	-	**(2,943,480)**
CLOSING BALANCE	**6,800,000**	**451,642**	**6,258,808**	**24,396,064**	**1,539,542**	**39,446,056**

Notes to the Financial Statements for the year ended 31 October 2019

8. INTANGIBLE ASSETS

	2019 $	2018 $
Non-current		
Gaming entitlements	**3,673,039**	3,673,039
Accumulated amortisation	**(2,647,156)**	(2,279,852)
	1,025,883	1,393,187

Movements in the carrying amounts for intangibles assets between the beginning and end of the financial year:

	Gaming Entitlements $
OPENING BALANCE	**1,393,187**
Amortisation expense	**(367,304)**
CLOSING BALANCE	**1,025,883**

9. TRADE AND OTHER PAYABLES

	2019 $	2018 $
Current		
Trade creditors	**1,021,231**	1,169,467
Accruals and other liabilities	**1,245,243**	1,424,921
	2,266,474	2,594,388

10. PROVISIONS

	2019 $	2018 $
Current		
Employee entitlements	**1,849,004**	1,837,038
Other	**4,745**	10,000
	1,853,749	1,847,038
Non-current		
Employee entitlements	**10,572**	99,500

11. CONTRACT LIABILITIES

	2019 $	2018 $
Current		
Contract liabilities	**4,134,331**	3,786,067

Contract liabilities as at 31 October 2019 primarily consist of member funds received in relation to the 2020 AFL Season.

12. OTHER LIABILITIES

	2019 $	2018 $
Current		
Other liabilities	**3,745,780**	-

Other liabilities represents unspent grant funds received by the Company in relation to the Hangar Expansion.

13. BORROWINGS

	2019	2018
	$	**$**
Non-current		
Borrowings	-	3,900,000

Available facilities as at 31 October 2019

	Amount of facility	**Unused**
	$	**$**
National Australia Bank facility	8,000,000	**8,000,000**
Bendigo Bank facility	3,850,000	**3,850,000**
	11,850,000	**11,850,000**

Covenants

The Bendigo Bank facility requires the Company to maintain specific financial covenants and is secured by the freehold land of the Company.

14. CAPITAL AND OPERATING COMMITMENTS

(A) OPERATING COMMITMENTS

	2019	2018
	$	**$**
Payable:		
- not later than one year	**608,762**	590,968
- later than one year but not later than 5 years	**1,948,126**	1,797,059
- later than 5 years	**9,928,973**	3,624,064
	12,485,861	6,012,091

Operating commitments relate to the lease of the Windy Hill precinct, the Melton Country Club and the Hangar, along with an annual distribution to EFCSC Limited.

(B) FINANCE COMMITMENTS

	2019	2018
	$	**$**
Payable:		
- not later than one year	**26,464**	80,527
- later than one year but not later than 5 years	**-**	26,463
- later than 5 years	**-**	-
	26,464	106,990

Finance commitments relate to Windy Hill Fitness Centre equipment.

The Company's finance lease liabilities are secured by the related assets held under finance lease.

(C) CAPITAL COMMITMENTS

There are $19,655,347 of capital expenditure commitments at the end of the 2019 financial year relating to the Hangar Expansion (2018: $5,438,548).

Notes to the Financial Statements for the year ended 31 October 2019

15. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets and contingent liabilities at the end of the financial year (2018: $nil)

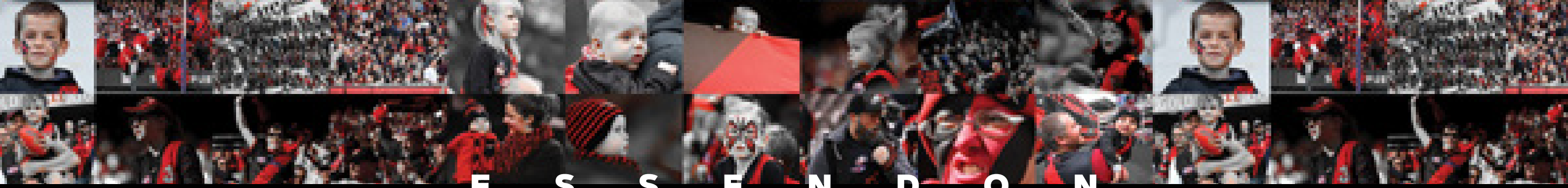
16. KEY MANAGEMENT PERSONNEL

The aggregate compensation made to key management personnel of the Company is set out below:

	2019	2018
	$	$
Aggregate compensation	**2,995,877**	2,655,136

17. SUBSEQUENT EVENTS

No matters or circumstances have arisen between the end of the financial year and the date of this report which have or may significantly affect the operations of the Company or the state of affairs of the Company in subsequent financial years.



E S S E N D O N

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EVERYONE MATTERS   PURPOSE IN EVERYTHING   NO FINISH LINE