

**Hawthorn Football Club Foundation**

**ABN 25 846 648 328**



**Financial Statements  
For the year ended 31 October 2018**

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**ABN 25 846 648 328**  
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**For the year ended 31 October 2018**

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**Hawthorn Football Club Foundation**  
**Statement of Financial Position**  
**As at 31 October 2018**

	Note	2018 \$	2017 \$
<b>Current Assets</b>			
Cash and cash equivalents	2	7,513,248	4,688,672
<b>Total Current Assets</b>		<u>7,513,248</u>	<u>4,688,672</u>
<b>Total Assets</b>		<u>7,513,248</u>	<u>4,688,672</u>
<b>Current Liabilities</b>			
Trade and other payables		268,874	132,500
<b>Total Current Liabilities</b>		<u>268,874</u>	<u>132,500</u>
<b>Total Liabilities</b>		<u>268,874</u>	<u>132,500</u>
<b>Net Assets</b>		<u>7,244,374</u>	<u>4,556,172</u>
<b>Trust Funds</b>			
Settlement Sum	3	100	100
Retained Profits	3	7,244,274	4,556,072
<b>Total Trust Funds</b>		<u>7,244,374</u>	<u>4,556,172</u>

*The accompanying notes form part of these financial statements.*

**Hawthorn Football Club Foundation  
Statement of Comprehensive Income  
For the year ended 31 October 2018**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Revenue</b>		
Donations	2,727,470	2,649,321
Interest received	98,537	53,401
	2,826,007	2,702,722
 <b>Expenditure</b>		
Bank Charges	1,431	-
ASF Fees	136,374	134,546
Acquitted Funds	-	12,750
	137,805	147,296
 <b>Operating Profit / (Loss)</b>	2,688,202	2,555,426
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income</b>	2,688,202	2,555,426

*The accompanying notes form part of these financial statements.*

**Hawthorn Football Club Foundation  
Trust Funds Statement  
For the year ended 31 October 2018**

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	2018	2017
	\$	\$
<b>Trust Funds</b>		
Balance at Beginning of Year	4,556,172	2,000,746
Surplus from operations	2,688,202	2,555,426
	<u>7,244,374</u>	<u>4,556,172</u>

*The accompanying notes form part of these financial statements.*

**Hawthorn Football Club Foundation**  
**Statement of Cash Flows**  
**For the year ended 31 October 2018**

	2018	2017
	\$	\$
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	2,727,470	2,649,321
Cash payments in the course of operations	(1,431)	(14,796)
Dividends and distributions received	-	-
Interest received	98,537	53,401
<b>Net cash inflow from operating activities</b>	<b>2,824,576</b>	<b>2,687,926</b>
<b>Cash flows from investing activities</b>		
<b>Net cash inflow from investing activities</b>	-	-
<b>Cash flows from financing activities</b>		
<b>Net cash inflow from financing activities</b>	-	-
<b>Net increase in cash and cash equivalents</b>	<b>2,824,576</b>	<b>2,687,926</b>
Cash and cash equivalents at the beginning of the financial year	4,688,672	2,000,746
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7,513,248</b>	<b>4,688,672</b>

**Hawthorn Football Club Foundation**  
**Notes to the Financial Statements**  
**For the year ended 31 October 2018**

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**1. Summary of Significant Accounting Policies**

**(a) Basis of Preparation**

Hawthorn Football Club Foundation Nominees Pty Ltd (the Trustee) has prepared the financial statements of the Hawthorn Football Club Foundation (the Trust) on the basis that the Trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Trust Deed, the *Public Ancillary Fund Guidelines 2011* and the information needs of stakeholders.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the Trustee has determined are appropriate to meet the needs of users.

These financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. They are prepared in accordance with disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation and Application of Standards* and AAB 1054 *Australian Additional Disclosures*.

The financial statements are presented in Australian dollars, which is the Trust's functional currency. The financial reporting period is from 1 November 2017 to 31 October 2018.

**(b) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and highly liquid cash deposits with short-term maturities and are readily convertible to known amounts of cash with insignificant risk of change in value. The Trust considers that the carrying value of cash and cash equivalents approximate fair value due to their short term to maturity.

**(c) Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates. All revenue is stated net of the amount of goods and services tax (GST). Donation income is generally recognised upon receipt.

**(d) Australian Sports Foundation (ASF) Fees**

Australian Sports Foundation fees are costs borne by the Trust which are expensed as they are incurred on an accruals basis.

**(e) 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 (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

**Hawthorn Football Club Foundation  
Notes to the Financial Statements  
For the year ended 31 October 2018**

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**1. Summary of Significant Accounting Policies (continued)**

**(f) Going Concern**

The financial statements have been prepared on the going concern basis of accounting, which assumes the Trust will be able to realise its assets and discharge its liabilities in the ordinary course of business.

The directors of the Trustee believe that it is appropriate to prepare the financial report on a going concern basis because of the expected continued support of the Hawthorn Football Club Limited (HFC) in the foreseeable future.



**Hawthorn Football Club Foundation**  
**Notes to the Financial Statements**  
**For the year ended 31 October 2018**

	2018	2017
	\$	\$
<b>2. Cash and Cash Equivalents</b>		
Cash on Hand	100	100
Cash at Bank	1,380,430	638,925
Cash Deposit Trust	6,132,718	4,049,647
	7,513,248	4,688,672

Cash on Hand represents the settlement sum of the Trust.

**3. Trust Funds**

Settlement Sum	100	100
Retained Profits	7,244,274	4,556,072
Reserves	-	-
Total Trust Funds	7,244,374	4,556,172

**4. Trust Details**

The principal place of business is:

Waverley Park  
3/2 Stadium Circuit  
Mulgrave VIC 3170

Hawthorn Football Club Foundation was established on 10<sup>th</sup> March 2016 and was endorsed to access Income Tax Exemption and endorsed as a Deductible Gift Recipient on 10<sup>th</sup> March 2016. It is a Public Ancillary Fund. The Trust is domiciled in Australia and is a not-for-profit entity.

Expenditure relating to the establishment and administration of the Trust is borne by the Hawthorn Football Club Limited.

The principal purpose of the Trust is the payment or application of funds solely for the purpose of providing money, property or benefits to or for Eligible Entities, or the establishment of Eligible Entities as the Trustee decides in accordance with the Public Ancillary Guidelines.

**Hawthorn Football Club Foundation  
Trustee's Declaration  
For the year ended 31 October 2018**

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In the opinion of the directors of the Trustee, the Trust is not a reporting entity because there are no users dependent on general purpose financial reports. This special purpose financial report has been prepared in accordance with the Trust Deed, and with the accounting policies outlined in Note 1 to the financial statements.

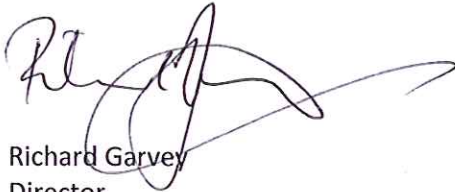
The directors of the Trustee declare that:

1. the financial statements and notes, as set out in the financial report present fairly the Trust's financial position as at 31 October 2018 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion, there are reasonable grounds to believe that the Trust 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:



Tim Shearer  
Chairman



Richard Garvey  
Director

Dated this 18<sup>th</sup> day of April 2019



# Independent Auditor's Report

To the Trustee of the Hawthorn Football Club Foundation

## Report on the audit of the Financial Statements

### Opinion

We have audited the **Financial Statements**, of the Hawthorn Football Club Foundation (the Trust).

In our opinion, the accompanying **Financial Statements** of the Trust are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, the Public Ancillary Fund Trust Deed and the Public Ancillary Fund Guidelines 2011 including:

- i. giving a true and fair view of the Trust's financial position as at 31 October 2018, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards* to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Statements** comprises:

- i. Statement of financial position as at 31 October 2018.
- ii. Statement of comprehensive income, Trust funds statement, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Trustees' declaration of the Trust.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We are independent of the Trust in accordance with the auditor independence requirements of the *ACNC Act 2012* 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 Statements in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

### Emphasis of matter – basis of preparation and restriction on use

We draw attention to Note 1 to the Financial Statements, which describes the basis of preparation.

The Financial Statements have been prepared for the purpose of fulfilling the Trustee's financial reporting responsibilities under the *ACNC Act 2012*, the Public Ancillary Fund Trust Deed and the Public Ancillary Fund Guidelines 2011. As a result, the Financial Statements and this Auditor's Report may not be suitable for another purpose.



Our report is intended solely for the Trustee of the Trust and ACNC and should not be used by any other party. We disclaim any assumption of responsibility for any reliance on this Auditor's Report, or on the Financial Statements to which it relates to any person other than the Trustee of the Trust and ACNC. Our opinion is not modified in respect of this matter.

### Responsibilities of the Trustee for the Financial Statements

The Trustee is responsible for:

- i. Preparing the Financial Statements that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- ii. Preparing the Financial Statements in accordance with the the Public Ancillary Fund Trust Deed and the Public Ancillary Fund Guidelines 2011.
- iii. Determining that the basis of preparation described in Notes 1 to the Financial Statements is appropriate to meet the requirements of the ACNC, the Public Ancillary Fund Trust Deed and the Public Ancillary Fund Guidelines 2011. The basis of preparation is also appropriate to meet the needs of the Trustee.
- iv. Implementing necessary internal controls to enable the preparation of a Financial Statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- v. Assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Statements

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error; and
- ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 Statements.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal controls relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Trust's internal controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust.



- iv. Conclude on the appropriateness of the Trust's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee of the registered Trust regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

### **Opinion pursuant to the Public Ancillary Fund Guideline 2011**

In our opinion, the Trust has complied, in all material respects, with the requirements of the *Public Ancillary Fund Guidelines 2011* (the Guidelines) for the year ended 31 October 2018.

### **Basis for opinion**

We conducted our engagement in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements (ASAE 3100). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3100 we have:

- i. used our professional judgment to plan our procedures and assess the risks that may cause material non-compliance with each of the Guidelines to be concluded upon;
- ii. considered internal controls implemented to meet the Guidelines; however, we do not express a conclusion on their effectiveness; and
- iii. ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

### **Trustee's responsibility for Compliance with the Public Ancillary Fund Guidelines 2011**

The Trustee is responsible for complying with the requirements of the Guidelines. This responsibility includes establishing and maintaining internal control relevant to ensuring compliance with the Guidelines and preventing and detecting fraud or error.



### Assurance Practitioner's responsibility

Our responsibility is to express an opinion on the Trustee's compliance with the requirements of the Guidelines. We conducted our reasonable assurance engagement in accordance with applicable Australian Standards on Assurance Engagements to provide reasonable assurance that the Trust has complied, in all material respects, with the requirements of the Guidelines for the year ended 31 October 2018.

Our procedures included obtaining an understanding of the requirements of the Guidelines and examination, on a test basis, of evidence supporting how the Trust has complied with the requirements of the Guidelines. These procedures have been undertaken to form a conclusion as to whether the Trust has complied, in all material respects, with the requirements of the Guidelines for the year ended 31 October 2018.

This report has been prepared for the Trustee for the purpose of meeting their requirements under the Trust Deed and the Guidelines. As a result we disclaim any assumption of responsibility to any person other than the Trustee, or for any purposes other than for which it was prepared.

### How we define reasonable assurance and material non-compliance

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material non-compliance with the Guidelines when it exists.

Instances of non-compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of the Trust's compliance with the Guidelines.

### Inherent limitations

Because of the inherent limitations of any evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with the Guidelines, as our audit tests have not been performed continuously throughout the period and the procedures performed in respect of compliance with the Guidelines are undertaken on a test basis.

### Our Independence and Quality control

In conducting our reasonable assurance, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board. In accordance with Auditing Standards (ASQC 1) Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG

Tony Romeo  
Partner

Melbourne  
18 April 2019