



# Hawthorn Football Club Limited

ACN 005 068 851

## Annual Financial Report

Year ending 31 October 2009



# Hawthorn Football Club Limited and its controlled entities

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### Naming rights partner

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### Principal partner

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### Major partners

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# Hawthorn Football Club Limited and its controlled entities

## Directors' report

### For the year ended 31 October 2009

The Directors present their report together with the financial report of Hawthorn Football Club Limited ("the Club") and of the Group, being the Club and its controlled entities, for the year ended 31 October 2009 and the auditor's report thereon.

#### Directors

The Directors of the Company at any time during or since the end of the financial year are:

J G Kennett (President)	G L Harris (Vice-President)	J S Allis	S P Cummins *
J H Dunstall	B C Growcott	M M McKinnon **	P A Newbold
M K Ralston			

\* Appointed to the board 19 October 2009

\*\* Resigned from the board 21 January 2009

#### Principal activities

The principal activities of the Hawthorn Football Club Limited are to compete within the AFL by maintaining, providing, supporting and controlling a team of footballers bearing the name of the Hawthorn Football Club. There were no significant changes in the nature of the principal activities during the year.

#### Dividends

The Constitution of the Hawthorn Football Club Limited prohibits the Club from the payment of dividends and accordingly no dividends were paid or declared during the year.

#### Controlled Entities

The Club is required to present consolidated information. The Consolidated Group comprises the Box Hill Hawks Football Club Limited ("BHHFC"), the HFC CS Fixed Trust (CSFT Trustees Pty Ltd) and the HFC Foundation (HFC Foundation Pty Ltd Nominees).

The Club is the only member of CSFT Trustees Pty Ltd, and the sole unit holder of the Trust, which in turn, owns a 50% interest in a Caroline Springs joint venture entity the nominee for which is CSJV Nominees Pty Ltd.

While Hawthorn Football Club does not hold an ownership interest in BHHFC, the Club is deemed to have the ability to govern the financial and operating policies of BHHFC; and is consequently required to consolidate this entity.

#### Operating and financial review

The Club is delighted to announce a consolidated net operating profit for the year ended 31 October 2009 of \$2,724,245 (Consolidated 2008: \$4,054,367). The maintenance of our strong performance, despite the absence of the premiership and its associated revenues is a credit to the Club's management and drive. The result is also after the Club's increasing investment into football operations (increase of \$2.03m in 2009). The reported operating profit for 2009 excludes the \$415,051 "unrealised gain" on our investment portfolio. The partial recovery of our investment portfolio has also contributed to the \$3.7m increase in the Club's net asset position as at 31 October 2009 from \$13.6m to \$17.3m.

# **Hawthorn Football Club Limited and its controlled entities**

## **Directors' report (continued)**

### **For the year ended 31 October 2009**

#### **Operating and financial review (continued)**

#### **Football Department**

The 2009 year, from a football perspective, was disappointing with the Club failing to make the finals after our premierships success of 2008. We continue to invest in our football program and will challenge each and every individual to deliver the level of contribution required for the Club to achieve further premierships success.

With one of the youngest playing lists in the AFL Competition we have increased our investment in development to allow our list to reach its full potential. We congratulate Box Hill on returning to the VFL finals and acknowledge their role in developing our younger players.

The Club continued its focus on quality and talented players through the recruitment of the players of the calibre of Liam Shiels, Ryan Schoenmakers, Luke Lowden, Jordan Lisle and Shane Savage. Shiels, Schoenmakers and Savage debuted in the senior team during the season. The recruitment of two quality players in Shaun Burgoyne and Josh Gibson during the trade period will strengthen our list and we welcome them both to the Club.

Mark Williams, Robert Campbell, Stuart Dew, Tim Boyle, Ben McGlynn, Josh Kennedy, Mitch Thorp, Haydyn Kiel and Tim Walsh have concluded their football careers at the Club and we sincerely thank them all for their contribution and wish them well in their future endeavours.

On behalf of the Board we congratulate our Captain, Sam Mitchell as the 2009 Peter Crimmins medallist.

#### **Tasmania**

The relationship with both the Tasmanian Government as our major naming rights partner and the Tasmanian Community continues to grow and deliver benefits to both parties. The success of the third year of this five-year partnership has been outstanding, and we will continue to work closely with Tasmania to further enhance and develop this relationship in coming years.

#### **Facilities**

The Club has continued to develop its Waverley Park headquarters with our membership call-centre and multi-media studio completed in November 2008. We will continue to develop and improve our facilities and technology available to maximise our players and coaches potential to secure future premierships and to facilitate the highest level of professionalism from our administration team.

#### **Membership & Merchandise**

The Club was thrilled to be the first Victorian based club to exceed 50,000 members. The final membership tally grew 27% to 52,929 (2008 - 41,686) an AFL all-time record. This is an outstanding result and achieves one of our Five 2 Fifty Business Plan targets, three years ahead of schedule. The growth of membership has seen an increase of revenue from \$5.2m to \$7.3m which is as a consequence of increased numbers and 66% growth of reserve seating from 14,515 to 24,040 in both our Victorian and Tasmanian markets. Our support continues to grow each year in Tasmania with the Membership levels growing 75% from 4,180 in 2008 to 7,335 in 2009. Merchandise has also had a record year surpassing the 2008 revenues.



# **Hawthorn Football Club Limited and its controlled entities**

## **Directors' report (continued)**

### **For the year ended 31 October 2009**

#### **Operating and financial review (continued)**

#### **Match Day Attendances**

The strength of Hawthorn's growing membership saw three MCG home games attracting crowds in excess of 70,000 in 2009 involving Geelong, Essendon and Carlton. The average attendances at our home games in Melbourne over the past 3 years has grown by more than 50% from 34,000 to 52,000.

#### **Sponsorship, Corporate and Fundraising**

The Club experienced a significant downturn in season 2009 in our Corporate and Finals revenues areas where our net revenue decreased by approximately 27%. Match day sales in the corporate domain were extremely challenging but the Club is optimistic that this area of the business can regain the ground lost during the season. Sponsorship revenues were relatively stable for season 2009.

#### **Significant changes in the state of affairs**

In the opinion of the Directors there were no significant changes in the state of affairs of the company, other than those addressed, that occurred during the financial year under review.

#### **Community**

The Club continues to engage with the broader Community resulting in significant funds being invested into our Community Department where we now have approximately 5 full-time staff committed to meeting the Club's Corporate Social Responsibility. The 2009 year commenced with the tragedy of the 'Black Saturday Bushfires'. Our players and staff visited South Gippsland, with fundraising ongoing towards a special re-build project for the region. Much of the Community work carried out by the Club goes intentionally unnoticed as we strive to make a difference.

Our Hawks Heroes program has allowed over 2,000 multi cultural, disadvantaged or underprivileged people to attend our games during the season, many experiencing the Hawks and AFL for the first time. The Club, with its community partners in Down Syndrome, the Rioli Fund, Beacon Foundation and Good Beginnings, through their specific programs, has delivered a valuable resource to the organisations and assisted in their respective awareness campaigns.

#### **Foundation**

The HFC Foundation continues to build its corpus to provide the Club with a solid financial base which will secure the Club's long term future. The major objective of the Foundation is to give the Club access to income and enable specific projects which may not otherwise be funded from normal profits or reserves.

In August 2009 the Foundation successfully launched the Hawks Bequest Society with its ambassadors Graham Arthur and David Parkin. During the year the Foundation received \$220,050 in donations (2008: \$20,000) and generated \$40,921 in investment earnings (2008: \$2,019) which are included as donations and interest respectively.

Refer to Appendix 1 for the Foundation Report

# **Hawthorn Football Club Limited and its controlled entities**

## **Directors' report (continued)**

### **For the year ended 31 October 2009**

#### **Environmental regulation**

The Club's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the club should be environmentally responsible and with an objective to be a leader within the AFL and Sporting Community generally.

In conjunction with the State Government the Club is investing significant funds in implementing a self sufficient water solution for Waverley. This project captures water from the roof of our neighbours, the Woolworths Distribution Centre securing sufficient water for not only our own needs but potentially other public ovals in the area. The Club would like to thank its respective partners for assistance with this significant project.

In addition the Club has undertaken a carbon emission audit of our operations and is currently implementing programs to reduce our electricity usage.

Refer Appendix 2 for Environmental Report.

#### **Likely Developments**

Future developments include the continuing pursuit of the Club's Five 2 Fifty objectives including the other initiatives which have been referred to in the body of the report.

#### **Events subsequent to Balance Date**

Other than the matters discussed above no matters or circumstances have arisen in the interval between the end of the financial year and the date of this report including any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in future years.

#### **Indemnification and insurance of officers and auditors**

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts; as such disclosure is prohibited under the terms of the contract.

The company has not, during or since the end of the financial year, in respect of any person who is or has been an auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred for the costs or expenses to defend legal proceedings.

# Hawthorn Football Club Limited and its controlled entities

## Directors' report (continued)

### For the year ended 31 October 2009

#### Operating and financial review (continued)

#### Information on directors / company secretary

Name	Qualifications / Club Portfolio	Experience	Date appointed / resigned
J G Kennett AC (President – since 14 December 2005)	Chairperson of the Board	Premier of Victoria 1992-1999, Chairman of Beyondblue - The National Depression Initiative, Chairman / Director of various Private and Public Companies	22 August 2005
G L Harris (Vice President – since 9 February 2009)	Chairperson of the New Business Sub-Committee.	Founder and former Director Flight Centre	22 June 2004
J S Allis	Chairperson of the Marketing Sub-Committee.	Founding Director Boost Juice	21 February 2006
S P Cummins	Ba Llb (Law), BA (Journalism), Dip. Ed. Marketing Sub-Committee.	Company Director	19 October 2009
J H Dunstall	Chairperson of the Football Sub-Committee.	Former HFC player – 269 VFL/AFL games	20 April 2004
B C Growcott	Chairperson of the Finance/Investment Sub-Committee. Bachelor of Commerce, FCA	Partner – PKF	27 October 1998
M M McKinnon	Member of Chartered Institute of Transport. Marketing Sub-Committee.	Company Director	29 March 2006; Resigned - 21 January 2009
P A Newbold	Chairperson of the Corporate Governance & Legal Committee. Bachelor of Economics Bachelor of Laws	Company Director	16 June 2003
M K Ralston	Chairperson of HFC Foundation Committee. Bachelor of Economics	Consultant	22 August 2005
T J Dillon (Company Secretary)	Bachelor of Business (Acc) CPA, MBA	In excess of 10 seasons of AFL management experience	14 November 2005

# Hawthorn Football Club Limited and its controlled entities

## Directors' report (continued)

### For the year ended 31 October 2009

#### Operating and financial review (continued)

The number of directors' meetings and number of meetings attended by each of the directors of the company during the financial year were:

Name of director	Directors' meetings	
	A	B
J G Kennett AC (President)	12	12
G L Harris (Vice-President)	12	11
J S Allis	12	10
J H Dunstall	12	9
B C Growcott	12	11
M M McKinnon	2	2
P A Newbold	12	10
M K Ralston	12	12
S P Cummins	1	1

**A** Reflects the number of meetings held during the time the director held office during the year  
**B** Number of meetings attended

#### Governance

##### Finance and Investment Committee

The Club's finance committee comprises: B Growcott, M Ralston (Directors), T Dillon, T Silvers (Executives), J Hatherley and I Silk (Independent Advisors) which meets monthly prior to the Board meetings, and is primarily responsible for reviewing the Club's financial position and providing recommendations to the Board.

##### Corporate Governance and Legal Committee

The Club's Corporate Governance and Legal committee comprises: A Newbold, G Harris (Directors), T Dillon, T Silvers (Executives), which meets monthly prior to the Board meetings, and is primarily responsible for reviewing the Club's Corporate Governance and risk profile providing recommendations to the Board.

##### New Business Committee


The Club's New Business committee comprises: G Harris (Director), T Dillon, T Silvers (Executives), M Tucker and A Drysdale (Independent Advisors) which meets bi-monthly prior to the Board meetings, and is primarily responsible for assessing and reviewing potential business opportunities for the Club and providing recommendations to the Board.

The Board would like to acknowledge and thank Management and Staff of the Hawthorn Football Club for their professional and tireless contributions throughout the 2009 season.

##### Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 9 and forms part of the directors' report for the year ended 31 October 2009. Signed in accordance with a resolution of the board of directors.

  
 J G Kennett, Director  
 Dated at Melbourne 16 November 2009

  
 B C Growcott, Director



**Hawthorn Football Club Limited and its controlled entities**  
**Directors' report (continued)**  
**For the year ended 31 October 2009**

**Lead auditor's independence declaration under Section 307C of the Corporations Act 2001**

To: the directors of Hawthorn Football Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 October 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



B W Szentirmay  
*Partner*

Melbourne

Dated this 16<sup>th</sup> day of November 2009.

# Hawthorn Football Club Limited and its controlled entities

## Income statement

For the year ended 31 October 2009

	Note	Consolidated		The Club	
		2009	2008	2009	2008
		\$	\$	\$	\$
Revenue	3	40,516,724	39,394,711	39,701,254	38,931,642
Other income	3	412,630	995,333	410,062	939,757
		40,929,354	40,390,044	40,111,316	39,871,399
Change in merchandise stock		219,076	442,310	222,659	445,195
Merchandise and consumables used		(2,353,940)	(2,427,392)	(2,333,899)	(2,408,824)
Sponsorship, membership & fundraising expenses		(8,023,767)	(8,314,545)	(7,937,911)	(8,276,403)
Employee and player expenses		(19,979,466)	(17,853,750)	(19,533,048)	(17,464,419)
Marketing expenses		(824,694)	(917,977)	(824,694)	(917,977)
Depreciation and amortisation		(576,397)	(461,434)	(558,775)	(446,447)
Waverley Gardens admin & management fees		(425,000)	(425,000)	(425,000)	(425,000)
Other football operations expenses		(2,568,588)	(2,424,993)	(2,587,858)	(2,443,232)
Other expenses in respect to ordinary activities		(3,449,909)	(3,221,901)	(3,185,010)	(3,169,267)
		(37,982,685)	(35,604,682)	(37,163,536)	(35,106,374)
Profit from operating activities		2,946,669	4,785,362	2,947,780	4,765,025
Finance income		233,697	367,534	232,576	365,515
Finance expenses		(456,121)	(1,098,529)	(456,111)	(1,098,192)
Net finance expense	4	(222,424)	(730,995)	(223,535)	(732,677)
Profit before income tax		2,724,245	4,054,367	2,724,245	4,032,348
Income tax expense	1(q)	-	-	-	-
Profit for the year		2,724,245	4,054,367	2,724,245	4,032,348

The income statements are to be read in conjunction with the notes of the financial statements set out on pages 14 to 36.

# Hawthorn Football Club Limited and its controlled entities

## Statement of changes in equity

### For the year ended 31 October 2009

	Note	Retained earnings \$	Fair value reserve \$	Total members' equity \$
<b>Consolidated</b>				
Opening balance 1 November 2007		10,140,386	670,327	10,810,713
Fair value movement of available for sale financial assets		-	(692,860)	(692,860)
Net change in value of available for sale financial assets transferred to profit and loss		-	(547,545)	(547,545)
Profit for the period		4,054,367	-	4,054,367
Closing balance at 31 October 2008		14,194,753	(570,078)	13,624,675
Opening balance at 1 November 2008		14,194,753	(570,078)	13,624,675
Fair value movement of available for sale financial assets		-	553,467	553,467
Net change in value of available for sale financial assets transferred to profit and loss		-	431,662	431,662
Profit for the period		2,724,245	-	2,724,245
Closing balance at 31 October 2009		16,918,998	415,051	17,334,049

### For the year ended 31 October 2009

	Note	Retained earnings \$	Fair value reserve \$	Total members' equity \$
<b>Club</b>				
Opening balance 1 November 2007		10,162,408	670,327	10,832,735
Fair value movement of available for sale financial assets		-	(692,860)	(692,860)
Net change in value of available for sale financial assets transferred to profit and loss		-	(547,545)	(547,545)
Profit for the period		4,032,348	-	4,032,348
Closing balance at 31 October 2008		14,194,756	(570,078)	13,624,678
Opening balance at 1 November 2008		14,194,756	(570,078)	13,624,678
Fair value movement of available for sale financial assets		-	553,467	553,467
Net change in value of available for sale financial assets transferred to profit and loss		-	431,662	431,662
Profit for the period		2,724,245	-	2,724,245
Closing balance at 31 October 2009		16,919,001	415,051	17,334,052

The Statements of changes in equity are to be read in conjunction with the notes to the financial statements set out on pages 14 to 36.

# Hawthorn Football Club Limited and its controlled entities

## Balance sheet

As at 31 October 2009

	Note	Consolidated		The Club	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Current Assets</b>					
Cash and cash equivalents	6	6,063,489	4,637,162	6,056,387	4,527,687
Trade and other receivables	7	2,094,551	818,018	1,994,054	758,453
Inventory – Merchandise	8	839,864	620,788	839,864	617,205
Other	10	853,083	1,449,312	851,581	1,469,665
<b>Total current assets</b>		<b>9,850,987</b>	<b>7,525,280</b>	<b>9,741,886</b>	<b>7,373,010</b>
<b>Non Current Assets</b>					
Trade and other receivables	7	38,707	-	178,486	130,993
Investments	9	4,267,611	3,194,847	4,267,611	3,194,857
Investment property	11	4,183,851	4,258,847	4,183,851	4,258,847
Property, plant and equipment	12	6,466,990	6,004,229	6,322,154	5,948,344
<b>Total non-current assets</b>		<b>14,957,159</b>	<b>13,457,923</b>	<b>14,952,102</b>	<b>13,533,041</b>
<b>Total assets</b>		<b>24,808,146</b>	<b>20,983,203</b>	<b>24,693,988</b>	<b>20,906,051</b>
<b>Current Liabilities</b>					
Payables	14	2,862,549	3,589,429	2,771,147	3,537,898
Interest bearing loans and borrowings	15	214,337	195,876	214,337	195,876
Employee entitlements	16	477,653	509,720	454,894	484,094
Other liabilities	17	2,967,176	1,732,680	2,967,176	1,732,680
<b>Total current liabilities</b>		<b>6,521,715</b>	<b>6,027,705</b>	<b>6,407,554</b>	<b>5,950,548</b>
<b>Non Current Liabilities</b>					
Interest bearing loans and borrowings	15	118,953	305,060	118,953	305,060
Employee entitlements	16	173,429	50,764	173,429	50,764
Other liabilities	17	660,000	975,000	660,000	975,000
<b>Total non-current liabilities</b>		<b>952,382</b>	<b>1,330,824</b>	<b>952,382</b>	<b>1,330,824</b>
<b>Total liabilities</b>		<b>7,474,097</b>	<b>7,358,529</b>	<b>7,359,936</b>	<b>7,281,372</b>
<b>Net assets</b>		<b>17,334,049</b>	<b>13,624,674</b>	<b>17,334,052</b>	<b>13,624,679</b>
<b>Members' Equity</b>					
Contributed equity	22	-	-	10	10
Reserves		415,051	(570,078)	415,051	(570,078)
Retained profits		16,918,998	14,194,752	16,918,991	14,194,747
<b>Total members' equity</b>		<b>17,334,049</b>	<b>13,624,674</b>	<b>17,334,052</b>	<b>13,624,679</b>

The balance sheets are to be read in conjunction with the notes to the financial statements set out on pages 14 to 36.

# Hawthorn Football Club Limited and its controlled entities

## Statement of cash flows

For the year ended 31 October 2009

	Note	Consolidated		The Club	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Cash receipts in the course of operations		44,497,064	44,093,548	43,616,516	43,523,039
Cash payments in the course of operations		(41,697,106)	(38,432,894)	(40,819,647)	(37,960,812)
<b>Net cash from operating activities</b>	21	2,799,958	5,660,654	2,796,869	5,562,227
<b>Cash flows from investing activities</b>					
Interest received	4	150,888	130,344	149,767	128,325
Dividends received	4	82,809	237,190	82,809	237,190
Payments for property, plant and equipment		(960,708)	(1,380,779)	(854,135)	(1,380,052)
Payments for investments		(3,838,707)	(5,371,187)	(3,838,707)	(5,337,978)
Proceeds from sale of investments		3,416,204	3,557,837	3,416,204	3,557,837
<b>Net cash (used in) from investing activities</b>		(1,149,514)	(2,826,595)	(1,044,062)	(2,794,678)
<b>Cash flows from financing activities</b>					
Borrowing costs paid		(24,459)	(54,535)	(24,449)	(54,198)
Lease expenses paid		(3,782)	(13,045)	(3,782)	(13,045)
Repayment of borrowings		(195,876)	(404,773)	(195,876)	(404,773)
<b>Net cash (used in) financing activities</b>		(224,117)	(472,353)	(224,107)	(472,016)
<b>Net (decrease)/increase in cash and cash equivalents</b>		1,426,327	2,361,706	1,528,700	2,295,533
<b>Cash and cash equivalents at 1 November</b>		4,637,162	2,275,456	4,527,687	2,232,154
<b>Cash and cash equivalents at 31 October</b>	6	6,063,489	4,637,162	6,056,387	4,527,687

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 14 to 36.



# Hawthorn Football Club Limited and its controlled entities

## Notes to the consolidated financial statements

### 1. Statement of significant accounting policies

The Hawthorn Football Club Limited (the 'Club') is a company domiciled in Australia.

The financial report was authorised for issue by the directors on 16 November 2009.

The significant policies which have been adopted in the preparation of this financial report are set out below.

#### (a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. International Financial Reporting Standards ('IFRSs') form the basis of Australian Accounting Standards ('AASBs') adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS ('AIFRS') to distinguish from previous Australian Generally Accepted Accounting Principles ('AGAAP'). The financial report of the Club also complies with IFRSs and interpretations adopted by the International Accounting Standards Board.

#### (b) Basis of preparation

The financial report is presented in Australian dollars. It is prepared on the historical cost basis, except for financial instruments that are available for sale which are stated at fair value.

The preparation of this financial report in conformity with AIFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been consistently applied to all periods presented in these consolidated financial statements, and have been applied consistently by group entities.

Accounting standards that have recently been issued or amended but are not yet effective have not been adopted for the annual report ending 31 October 2009. No changes to current accounting policies are anticipated on application of these issued or revised standards. These standards include:

- Revised AASB 123 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, or construction of a qualifying asset as part of the cost of that asset.
- Amended AASB 127 Consolidated and Separate Financial Statements requires accounting for changes in ownership interest in a subsidiary, while maintaining control, to be recognised as equity transactions.
- Revised AASB 101 Presentation of Financial Statements requires disclosure of comprehensive income in either a single statement or in combination with the income statement.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures. Key estimates and judgements in the context of the preparation of the financial report include the estimation of the recoverable amount of certain assets, and calculation of provisions.

# Hawthorn Football Club Limited and its controlled entities

## Notes to the consolidated financial statements

### 1. Statement of significant accounting policies (continued)

#### (c) Basis of Consolidation

##### **Subsidiaries**

Subsidiaries are entities controlled by the Group, such as the Box Hill Football Club (BHHFC). Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated statements.

In the Club's financial statements, investments in subsidiaries are carried at cost.

##### **Associates and jointly controlled entities (equity accounted investees)**

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 per cent of the voting power of another entity. Associates and jointly controlled entities are accounted for using the equity method and are initially recognised at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements in the CSFT and its investment in Caroline Springs.

#### (d) Property, plant and equipment

##### **Owned Assets**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy 1 (j)).

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

##### **Leased Assets**

Leases in terms of which the Club assumes substantially all the risks and rewards of ownership are classified as finance leases and are consequently included as property, plant and equipment with a corresponding liability for future payments. Lease payments are accounted for as described in accounting policy 1 (p).

##### **Subsequent costs**

The club recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

# Hawthorn Football Club Limited and its controlled entities

## Notes to the consolidated financial statements

### 1. Statement of significant accounting policies (continued)

#### Depreciation

Depreciation is charged to the income statement over the estimated useful life of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for each class of asset in the current and comparative period are as follows:

	2009	2008	Method of depreciation
Buildings	25 – 40	25 – 40	Straight line
Building improvements	5 – 40	5 – 40	Straight line
Plant and equipment	3 – 20	3 – 20	Straight line/Reducing Balance
Building leasehold improvements	5 – 40	5 – 40	Straight line

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

#### (e) Investments

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the income statement.

Other financial instruments held by the Club are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity, except for impairment losses. When these investments are sold, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement.

The fair value of financial instruments classified as held for trading and available-for-sale is their quoted bid price at the balance sheet date.

Financial instruments classified as held for trading or available-for-sale investments are recognised / derecognised by the Club on the date it commits to purchase / sell the investments.

#### (f) Investment property

Investment property is held to earn rental income and for capital appreciation, however is not for sale in the ordinary course of business, or used for administrative purposes. Investment property is measured at cost and subsequent measurement is consistent with the principles for other property plant and equipment held by the Club, outlined in Note 1(d)

#### (g) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses (see accounting policy 1 (j)).

#### (h) Inventories

Inventories comprise clothing, Club merchandise and food and beverage. All inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost of inventory is based on average cost and incorporates expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

# Hawthorn Football Club Limited and its controlled entities

## Notes to the consolidated financial statements

### 1. Statement of significant accounting policies (continued)

#### (i) Cash

Cash assets are carried at face value of the amounts deposited.

#### (j) Impairment

The carrying amounts of the Club's assets other, than inventories (see accounting policy 1 (h)) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit and loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is then objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is then recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit and loss.

#### Calculation of impairment loss

The recoverable amount of the Club's receivables carried at amortised cost is calculated as the present value of the estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at the initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance sheet date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. As the Club is a not for profit entity, value in use is determined with reference to the depreciated replacement cost of the asset.

#### Reversals of impairment

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in the recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

# Hawthorn Football Club Limited and its controlled entities

## Notes to the consolidated financial statements

### 1. Statement of significant accounting policies (continued)

#### (j) Impairment (continued)

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

#### (l) Employee Entitlements

##### Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

##### Long Service Leave

The provision for employee benefits for long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wages and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to Commonwealth Government bonds at balance date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as a long service leave expense.

As a result of a federally certified long service leave agreement between the players and the Australian Football League ("AFL"), the Hawthorn Football Club has no obligation for long service leave in respect of players.



# Hawthorn Football Club Limited and its controlled entities

## Notes to the consolidated financial statements

### 1. Statement of significant accounting policies (continued)

#### (l) Employee Entitlements (continued)

##### **Liabilities for wages, salaries and annual leave**

Employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided up to the reporting date. The provisions are calculated at undiscounted amounts based on remuneration rates the club expects to pay including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits are expensed based on the net marginal cost to the Club as the benefits are taken by the employees.

The provisions for employee benefits for wages, salaries and annual leave are treated the same for players and other employees of the Club.

#### (m) Provisions

A provision is recognised in the balance sheet when the Club has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### (n) Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.

#### (o) Revenue

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the Australian Taxation Office (ATO). No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

##### **Sales Revenue**

Sales revenue from football activities comprises revenue earned from the sales of memberships, corporate marketing, sponsorships, the sale of merchandise, gate receipts and AFL distributions.

##### **AFL distribution and prize money**

AFL distribution and prize money income is recognised as it is received.

##### **Membership and match day income**

Membership income is recognised throughout the duration of the AFL Home and Away season. Match day income is recognised at the conclusion of each AFL home game.

# Hawthorn Football Club Limited and its controlled entities

## Notes to the consolidated financial statements

### 1. Statement of significant accounting policies (continued)

#### (o) Revenue (continued)

##### **Sponsorship income**

Sponsorship income is recognised in the income statement in proportion to the state of completion of the transaction at balance date in accordance with the terms and conditions of the sponsorship contract.

##### **Gaming, bar and bistro revenue**

Sales revenue from Waverley Gardens comprises revenue earned (net of returns, discounts and allowances) from gaming machines and provisions of food and beverages.

Gaming, bar and bistro revenue is recognised as it is earned.

##### **Donations**

Donation income is recognised when an agreement has been signed between the donor and the Club, whereby the donor pledges to contribute cash, or otherwise upon receipt.

##### **Grant revenue**

Grant revenue, including contributions of assets is recognised when the Club controls the contribution or right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Club, and the amount of the contribution can be measured reliably.

#### (p) Expenses

##### **Operating lease payments**

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

##### **Finance lease payments**

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### (q) Income Tax

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

#### (r) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the 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 with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

# Hawthorn Football Club Limited and its controlled entities

## Notes to the consolidated financial statements

### 1. Statement of significant accounting policies (continued)

#### (s) Segment reporting

The Club operates solely as a constituent member of the Australian Football League.

#### (t) Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, gains on the disposed of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss.

Finance expenses comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss & impairment losses recognised on financial assets.

### 2. Financial risk management

The Club and Group have exposure to the following risks from their use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

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

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Corporate Governance & Legal Committee and the Finance & Investment Committee, which are responsible for developing and monitoring risk management policies. These Committees report monthly to the Board of the Directors on their activities.

Risk management policies are established to identify and analyse the risks faced by the Club and Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Club's and Group's activities. The Club and Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Corporate Governance & Legal Committee and the Finance & Investment Committee oversee how management monitors compliance with the Club's and Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Club and Group. On a three year cycle the Club engages external advisers to undertake both reviews of risk management controls and procedures.

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities and cash deposits

The Club and Group seek to only deal with counter parties with acceptable credit rating/credit worthiness. Management has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. At balance date the Club and Group's receivables primarily relate to entities that provide sponsorship or services to the Club under established contractual arrangements. The maximum exposure to credit risk is represented by the carrying amount of each asset in the balance sheet.

The Club has established a credit policy under which each new sponsor or customer is analysed individually for credit worthiness before the Club's standard payment terms and conditions are offered. Customers that fail to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment basis.

## **Hawthorn Football Club Limited and its controlled entities**

### **Notes to the consolidated financial statements**

The Club and Group have established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures.

#### **Investments**

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that fall within parameters set out in the Club's investment charter.

#### **Liquidity risk**

Liquidity risk is the risk that the Club and Group will not be able to meet its financial obligations as they fall due. 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.

Typically the Club ensures that it has sufficient cash on hand to meet expected operational expenses, including the servicing of financial obligations. In addition, the Group maintains a \$150,000 business card facility with the ANZ.

#### **Market risk**

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Club's income or the value of its holdings of financial instruments and investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Equity price risk arises from holding equity securities as part of the Club's investment strategy. Management of the Club monitor the returns on investments within the portfolio based on various market indices.

#### **Interest rate risk**

The Club and Group manages interest rate risk by ensuring interest rates applicable to any borrowing are acceptable given the form and tenure of the particular borrowings, and are reflective of market rates. Interest rates are also fixed where appropriate.

#### **Foreign exchange risk**

The Club and Group are not exposed to significant foreign exchange risk as trading is conducted in Australian dollars.

## Hawthorn Football Club Limited and its controlled entities

### Notes to the consolidated financial statements

#### 3. Revenue

	Consolidated		The Club	
	2009	2008	2009	2008
	\$	\$	\$	\$
AFL distribution and prize money	6,926,252	7,485,752	6,926,252	7,485,752
Membership income	7,361,738	5,220,076	7,354,579	5,214,926
Match day income	3,803,415	4,321,840	3,736,996	4,271,193
Marketing income	13,179,137	13,994,372	12,670,713	13,639,739
Merchandise income	3,394,506	3,262,988	3,391,420	3,260,610
Gaming, bar and bistro revenue	4,914,694	4,543,754	4,885,890	4,518,508
Donations and special fundraising efforts	588,612	255,394	387,034	230,379
Rental income from investment property	348,370	310,535	348,370	310,535
<b>Total Revenue</b>	<b>40,516,724</b>	<b>39,394,711</b>	<b>39,701,254</b>	<b>38,931,642</b>
Sundry income	57,630	95,333	55,062	39,757
Government Grant income	355,000	900,000	355,000	900,000
<b>Total revenue and other income</b>	<b>40,929,354</b>	<b>40,390,044</b>	<b>40,111,316</b>	<b>39,871,399</b>

#### 4. Finance income and expense

Interest income on bank deposits	150,888	130,344	149,767	128,325
Dividend income on available for sale investments	82,809	237,190	82,809	237,190
<b>Finance income</b>	<b>233,697</b>	<b>367,534</b>	<b>232,576</b>	<b>365,515</b>
Interest expense	(24,459)	(54,535)	(24,449)	(54,198)
Impairment loss on available for sale investments	-	(692,861)	-	(692,861)
Net loss on disposal of available for sale investments	(431,662)	(351,133)	(431,662)	(351,133)
<b>Finance expense</b>	<b>(456,121)</b>	<b>(1,098,529)</b>	<b>(456,111)</b>	<b>(1,098,192)</b>
<b>Net finance income and expense</b>	<b>(222,424)</b>	<b>(730,995)</b>	<b>(223,535)</b>	<b>(732,677)</b>

#### 5. Auditor's remuneration

##### Audit services:

KPMG

Audit of financial report	52,000	52,000	52,000	52,000
Other regulatory services	5,675	5,565	5,675	5,565
	<b>57,675</b>	<b>57,565</b>	<b>57,675</b>	<b>57,565</b>
Other Auditors				
Audit of financial report	4,960	3,840	-	-
	<b>62,635</b>	<b>61,405</b>	<b>57,675</b>	<b>57,565</b>

##### Other services:

KPMG

Advisory services	-	14,000	-	14,000
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## Hawthorn Football Club Limited and its controlled entities

### Notes to the consolidated financial statements

	Consolidated		The Club	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>6. Cash assets</b>				
Cash on hand	539,271	502,475	538,651	501,854
Cash at bank	2,935,988	732,008	2,929,506	658,899
Short term deposit	2,585,772	2,928,881	2,585,772	2,893,136
Cash management – UBS	2,458	473,798	2,458	473,798
	<u>6,063,489</u>	<u>4,637,162</u>	<u>6,056,387</u>	<u>4,527,687</u>

Short-term deposits of the Club include \$1,122,990 (2008: \$1,022,019) which has been set aside for the Hawthorn Foundation. Refer Note 24.

## 7. Trade and other receivables

### Current

Trade receivables	1,721,959	581,490	1,686,960	524,151
Other debtors	<u>372,592</u>	<u>236,528</u>	<u>307,094</u>	<u>234,302</u>
	<u>2,094,551</u>	<u>818,018</u>	<u>1,994,054</u>	<u>758,453</u>

### Non-current

Amount receivable from related parties:

Box Hill Hawks Ltd	-	-	172,087	172,087
Less : Allowance for impairment	-	-	(32,308)	(41,094)
Loan to associated entity – CSJV	<u>38,707</u>	<u>-</u>	<u>38,707</u>	<u>-</u>
	<u>38,707</u>	<u>-</u>	<u>178,486</u>	<u>130,993</u>

Trade, other debtors and receivables from related parties are non interest bearing. The Club's exposure to credit and impairment losses related to trade and other receivables are disclosed in Note 20.

## 8. Merchandise

### Current

Inventory - Merchandise	<u>839,864</u>	<u>620,788</u>	<u>839,864</u>	<u>617,205</u>
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## 9. Investments

### Non-current

Units in fixed trust	-	-	10	10
Listed equity securities available for sale*	<u>4,267,611*</u>	<u>3,194,847</u>	<u>4,267,601*</u>	<u>3,194,847</u>
	<u>4,267,611</u>	<u>3,194,847</u>	<u>4,267,611</u>	<u>3,194,857</u>

\* Includes Warakirri managed investment funds of \$4,215,051.

## 10. Other assets

### Current

Prepayments	<u>853,083</u>	<u>1,449,312</u>	<u>851,581</u>	<u>1,469,665</u>
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## Hawthorn Football Club Limited and its controlled entities

### Notes to the consolidated financial statements

#### 11. Investment Property

	Consolidated		The Club	
	2009	2008	2009	2008
	\$	\$	\$	\$
Balance at 1 November	4,258,847	-	4,258,847	-
Acquisitions	-	4,328,721	-	4,328,721
Depreciation	(74,996)	(69,874)	(74,996)	(69,874)
Balance at 31 October	4,183,851	4,258,847	4,183,851	4,258,847

Investment property comprises the gymnasium at Waverley Park that is leased to a third party under commercial leasing terms and conditions.

#### 12. Property, plant and equipment

##### Consolidated reconciliation

	Land buildings & building improvements	Plant and equipment	Building leasehold improvements	Total
	\$	\$	\$	\$
<b>Cost</b>				
Balance at 1 November 2007	3,074,058	3,132,210	55,839	6,262,107
Acquisitions	2,817	1,377,278	684	1,380,779
Balance at 31 October 2008	3,076,875	4,509,488	56,523	7,642,886

Balance at 1 November 2008	3,076,875	4,509,488	56,523	7,642,886
Acquisitions	-	960,708	-	960,708
Balance at 31 October 2009	3,076,875	5,470,196	56,523	8,603,594

##### Depreciation

Balance at 1 November 2007	(80,788)	(1,153,077)	(18,132)	(1,251,997)
Depreciation/amortisation charge for the year	(54,579)	(327,558)	(4,523)	(386,660)
Balance at 31 October 2008	(135,367)	(1,480,635)	(22,655)	(1,638,657)

Balance at 1 November 2008	(135,367)	(1,480,635)	(22,655)	(1,638,657)
Depreciation/amortisation charge for the year	(63,568)	(429,561)	(4,819)	(497,948)
Balance at 31 October 2009	(198,935)	(1,910,196)	(27,474)	(2,136,605)

##### Carrying amounts

At 1 November 2007	2,993,270	1,979,133	37,707	5,010,110
At 31 October 2008	2,941,508	3,028,853	33,868	6,004,229
At 1 November 2008	2,941,508	3,028,853	33,868	6,004,229
At 31 October 2009	2,877,940	3,560,001	29,049	6,466,990

## Hawthorn Football Club Limited and its controlled entities

### Notes to the consolidated financial statements

#### 12. Property, plant and equipment (continued)

##### Club reconciliation

	Land buildings & building improvements \$	Plant and equipment \$	Total \$
<b>Cost</b>			
Balance at 1 November 2007	3,074,058	3,049,413	6,123,471
Acquisitions	2,817	1,377,235	1,380,052
Balance at 31 October 2007	3,076,875	4,426,648	7,503,523

Balance at 1 November 2008	3,076,875	4,426,648	7,503,523
Acquisitions		854,135	854,135
Balance at 31 October 2009	3,076,875	5,280,783	8,357,658

##### Depreciation

Balance at 1 November 2007	(80,788)	(1,102,718)	(1,183,506)
Depreciation/amortisation charge for the year	(54,579)	(317,094)	(371,673)
Balance at 31 October 2008	(135,367)	(1,419,812)	(1,555,179)

Balance at 1 November 2008	(135,367)	(1,419,812)	(1,555,179)
Depreciation/amortisation charge for the year	(63,568)	(416,757)	(480,325)
Balance at 31 October 2009	(198,935)	(1,836,569)	(2,035,504)

##### Carrying amounts

At 1 November 2007	2,993,270	1,946,695	4,939,965
At 31 October 2008	2,941,508	3,006,836	5,948,344

At 1 November 2008	2,941,508	3,006,836	5,948,344
At 31 October 2009	2,877,940	3,444,214	6,322,154

\* The Waverley Park land, buildings and oval are subject to certain usage and disposal restrictions during the term of the redevelopment of the adjacent property.

## Hawthorn Football Club Limited and its controlled entities

### Notes to the consolidated financial statements

#### 13 Equity Accounted Investees

The Club holds a 50% interest in a joint venture entity via the Caroline Springs Fixed Trust. The ventures nominee, CSJV Nominees Pty Ltd was incorporated on 15 August 2007, with agreements entered into in April 2009. A loan of \$38,707 has been made to the venture in 2009 as disclosed within note 7.

#### 14. Payables

	Consolidated		The Club	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Current</b>				
Trade payables	1,519,447	2,122,545	1,495,757	2,108,440
Other creditors and accruals	1,343,102	1,466,884	1,275,390	1,429,458
	<u>2,862,549</u>	<u>3,589,429</u>	<u>2,771,147</u>	<u>3,537,898</u>

#### 15. Interest-bearing liabilities

	Consolidated		The Club	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Current</b>				
Bank loan	170,254	142,529	170,254	142,529
Hire Purchase	44,083	53,347	44,083	53,347
	<u>214,337</u>	<u>195,876</u>	<u>214,337</u>	<u>195,876</u>
<b>Non-current</b>				
Bank loan	<u>118,953</u>	<u>305,060</u>	<u>118,953</u>	<u>305,060</u>

The Group's exposure to liquidity risk related to trade and other payables is set out in Note 20.

#### Financing arrangements

The bank loan has a fixed charge over specific Waverley Park plant and equipment. Interest is charged on the loans at fixed and variable rates.

#### 16. Employee entitlements

	Consolidated		The Club	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Current</b>				
Liability for annual leave	375,641	433,391	368,455	421,380
Liability for long service leave	102,012	76,329	86,439	62,714
	<u>477,653</u>	<u>509,720</u>	<u>454,894</u>	<u>484,094</u>
<b>Non-current</b>				
Other	66,666	-	66,666	-
Liability for long service leave	106,763	50,764	106,763	50,764
	<u>173,429</u>	<u>50,764</u>	<u>173,429</u>	<u>50,764</u>

## Hawthorn Football Club Limited and its controlled entities

### Notes to the consolidated financial statements

#### 16. Employee entitlements (continued)

##### Defined contribution superannuation funds

The Club makes contributions to defined contribution superannuation funds. The amount recognised as an expense was \$951,973 for the financial year ended 31 October 2009 (2008: \$928,867).

#### 17. Other liabilities

	<i>Consolidated</i>		<i>The Club</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	\$	\$	\$	\$
<b>Current</b>				
Unearned revenue	2,967,176	1,732,680	2,967,176	1,732,680
<b>Non-current</b>				
Unearned revenue	660,000	975,000	660,000	975,000

##### Multi-year non-cash sponsorship agreements

In 2006, the Club entered into an 8 year sponsorship agreement as part of the acquisition of the Waverley Park premises. The acquisition has been recognised based on the undiscounted fair value of the sponsorship benefits provided by the Club under the agreement. Revenue relating to the sponsorship is recognised within the income statement as detailed in note 1(o) on an annual basis.

#### 18. Commitments

##### (a) Operating lease commitments

##### Leases as lessee

Non-cancellable operating lease rentals are payable:

	<i>Consolidated</i>		<i>The Club</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	\$	\$	\$	\$
Within one year	490,698	649,789	490,698	649,789
Between one and five years	4,735,770	1,002,303	4,735,770	1,002,303
More than five years	11,526,348	4,970,543	11,526,348	4,970,543
	16,752,816	6,622,635	16,752,816	6,622,635

During the year \$639,063 was recognised as an expense in the income statement in respect of operating leases (2008: \$782,369). Long term operating lease commitments relate to retail rental agreements in place relating to the Waverley Gardens venue.

The Club has long term operating lease commitments within the Caroline Springs Joint Venture in which the Club has a 50% interest (refer note 13), relating to a rental agreement commencing in October 2010 at the West Waters venue. The Club's share of those operating lease commitments has been included in the above disclosures.



## **Hawthorn Football Club Limited and its controlled entities**

### **Notes to the consolidated financial statements**

#### **18. Commitments continued**

##### **(b) Player commitments**

Due to the contract terms varying considerably amongst players it is not practical to reliably measure the future commitments under player contracts. The Club will stay within the prescribed Australian Football League's Total Player Payments limits.

##### **(c) Capital and Other Commitments**

During the 2008 year the BHHFC Board resolved to contribute \$250,000 to the re-development of City Oval, of which \$200,000 has been expended in 2009. These contributions are part of a multi-party funding agreement including Football Victoria, State Government of Victoria, City of Whitehorse, the Club, and BHHFC, with the final contribution conditional on the commencement of construction of the Coaches Boxes and associated infrastructure.

The Club has committed to a Water Sustainability Project at Waverley in conjunction with the State Government's Department of Sustainability and Environment grant contribution of \$355,000 (see note 3). The contracted capital commitments are expected to total \$735,000 by February 2010. The Club has already expended and capitalised \$59,512 on this project in the current year.

The Club has a commitment to the Caroline Springs joint venture totalling \$2.15m for the fit out of West Waters Hotel, expected to open in October 2010 and \$1m in management over the next 10 years.

# Hawthorn Football Club Limited and its controlled entities

## Notes to the consolidated financial statements

### 19. Related parties

#### Transactions with directors

During the year a number of the directors purchased Club membership packages, finals tickets, attended Club functions, made donations and contributed towards fundraising auctions. The terms and conditions of the transactions with the directors and their director related entities were no more favourable than those available, or which might be reasonably expected to be available, on similar transactions to non-director related entities on an arm's length basis.

#### Key management personnel compensation

The key management personnel compensation included in 'employee and player expenses' in the income statement is as follows:

	Consolidated		The Club	
	2009	2008	2009	2008
	\$	\$	\$	\$
Short term employee benefits	1,930,060	1,738,872	1,930,060	1,738,872

#### Other related parties

Amounts receivable from other related parties are shown in note 7 of these financial statements.

During the year the Club made operating payments totalling \$230,000 (2008: \$185,000) to the Box Hill Hawks Football Club Limited. These payments were made in accordance with the Alignment Agreement, and have been eliminated in the consolidated financial statements.

# Hawthorn Football Club Limited and its controlled entities

## Notes to the consolidated financial statements

### 20. (a) Financial instruments

Exposure to interest rate and credit risks arise in the normal course of the Club's business

#### Effective interest rates and repricing analysis

In respect of interest income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice:

#### 2009 - Consolidated

	Note	Weighted average Interest rate	Floating interest rate	1 year or less	1 - 5 years	Non interest bearing	Total
			\$	\$	\$	\$	\$
<b>Financial assets</b>							
Cash and cash equivalents	6	3.50%	5,524,218	-	-	539,271	6,063,489
Investments	9		-	-	-	4,267,611	4,267,611
			5,524,218	-	-	4,806,882	10,331,100
<b>Financial liabilities</b>							
Interest bearing loans and borrowings	15	6.95%		214,337	118,953		333,290
			-	214,337	118,953	-	333,290

#### 2008 - Consolidated

	Note	Weighted average interest rate	Floating interest rate	1 year or less	1 – 5 years	Non interest bearing	Total
			\$	\$	\$	\$	\$
<b>Financial assets</b>							
Cash and cash equivalents	6	4.90%	4,134,687	-	-	502,475	4,637,162
Investments	9		-	-	-	3,194,847	3,194,847
			4,134,687			3,697,322	7,832,009
<b>Financial liabilities</b>							
Interest bearing loan and borrowings	15	6.95%	-	195,876	305,060	-	500,936
			-	195,876	305,060	-	500,936

## Hawthorn Football Club Limited and its controlled entities

### Notes to the consolidated financial statements

#### 20. Financial instruments (continued)

##### (b) Fair values

###### Estimation of fair values

The directors consider that the carrying amounts of financial assets and financial liabilities in the financial statements approximates their fair values.

The fair values and net fair values of financial assets and financial liabilities with standard terms and conditions on active liquid markets are determined with reference to quoted market prices.

##### (c) Credit Risk

###### Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	2009	2008
Loans and receivables	7	2,133,258	818,018
Cash and cash equivalents	6	6,063,489	4,637,162
		<u>8,196,747</u>	<u>5,455,180</u>

###### Impairment losses

None of the Group's receivables are past due or considered impaired (2008: nil). Receivables are primarily due from various corporate entities and Government departments, and there is no specific concentration of credit risk.

Based on historic default rates, the Club believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days.

In respect of the Club an impairment loss of \$32,308 (2008: \$41,094) has been provided for in relation to an amount owing by Box Hill Hawks Football Club. This provision is based on an estimate of the receivable's recoverable amount.

###### Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

## Hawthorn Football Club Limited and its controlled entities

### Notes to the consolidated financial statements

#### 20. Financial instruments (continued)

##### Consolidated

##### 31 October 2009

	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>6 months or less</i>	<i>6-12 months</i>	<i>1-2 years</i>	<i>2-5 years</i>
	\$	\$	\$	\$	\$	\$
<b>Financial liabilities</b>						
Secured bank loan	289,207	304,718	91,415	91,415	121,888	-
Hire purchase	44,083	45,436	45,436	-	-	-
Trade and other payables	2,862,549	2,862,549	2,862,549	-	-	-
	3,195,839	3,212,703	2,999,400	91,415	121,888	

##### 31 October 2008

	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>6 months or less</i>	<i>6-12 months</i>	<i>1-2 years</i>	<i>2-5 years</i>
	\$	\$	\$	\$	\$	\$
<b>Financial liabilities</b>						
Secured bank loan	447,589	487,547	91,415	91,415	182,830	121,887
Hire purchase	53,347	58,482	6,523	6,523	45,436	-
Trade and other payables	3,589,429	3,589,429	3,589,429	-	-	-
	4,090,365	4,135,458	3,687,367	97,938	228,266	121,887

Liquidity risk information in respect of the Club is not materially different to that of the Group.

##### Interest rate risk

###### Profile

The interest rate profile of the Club's and the Group's interest-bearing financial instruments is set out in Note 20 (a)

##### Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

##### Fair values

###### Fair values versus carrying amounts

The fair value of financial assets and liabilities approximate their carrying amount.

##### Market Risk Sensitivities –other market risk

The Club and Group is exposed to movements in the market price of equities traded in domestic markets in the context of its available for sale investments. The extent of sensitivity to market price movements is determined by numerous factors, including factors relevant to individual equity holdings and factors impacting the market in general. As the Group's investments are treated as available for sale, a movement in market price would not affect profit or loss unless the respective investment is considered to be impaired or the equity holding was disposed.

## Hawthorn Football Club Limited and its controlled entities

### Notes to the consolidated financial statements

#### 21. Notes to the statement of cash flows

	<i>Consolidated</i>		<i>The Club</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	\$	\$	\$	\$
<b>Reconciliation of net cash provided by operating activities to operating profit after income tax</b>				
Operating profit after income tax	2,724,245	4,054,367	2,724,245	4,032,348
Add/(less) non cash items:				
Depreciation	576,397	461,434	558,775	446,447
Impairment losses on investments	-	692,961	-	692,961
Non cash sponsorship income	(631,180)	(569,350)	(638,847)	(569,250)
Add/(less) items classified as investing/ financing activities				
Loss on sale of fixed assets and investments	431,662	351,133	431,662	351,133
Change in assets and liabilities:				
Decrease/(increase) in trade debtors	(1,140,469)	(143,401)	(1,162,809)	(190,144)
Decrease/(increase) in other debtors & prepayments	460,165	(19,084)	545,292	(19,084)
Decrease/(increase) in merchandise	(219,076)	(442,310)	(222,659)	(445,195)
Increase/(decrease) in trade creditors & accruals	(726,880)	606,108	(766,751)	598,507
Increase/(decrease) in employee provisions	90,598	153,415	93,465	149,123
Increase/(decrease) in other liabilities	1,234,496	515,381	1,234,496	515,381
<b>Net cash provided by/(used in) operating activities</b>	<b>2,799,958</b>	<b>5,660,654</b>	<b>2,796,869</b>	<b>5,562,227</b>

## **Hawthorn Football Club Limited and its controlled entities**

### **Notes to the consolidated financial statements**

#### **22. Contributed equity**

Hawthorn Football Club Limited is a company limited by guarantee only and therefore does not have share capital. The amount capable of being called up only in the event of, and for the purpose of, the winding up of the Club is limited to \$2 per member, subject to the provisions of the Club's constitution.

#### **23. Group entities**

The Club presents consolidated information which comprises the Club, Box Hill Hawks Football Club Limited ("BHHFC") and the HFC CS Fixed Trust. The Club is the sole unit holder of the trust and the only member of the trustee company CSFT Trustees Pty Ltd.

While the Club does not hold an ownership interest in BHHFC, the Club is deemed to govern the financial and operating policies of BHHFC and consequently the Club, is required to consolidate this entity.

#### **24. Hawthorn Foundation**

The Hawthorn Football Club Foundation ("Foundation") actively continued its role of providing the Hawthorn Football Club with access to income and capital for specific projects which may not be otherwise funded from normal profits or reserves. The Foundation is a division within the Club. HFC Foundation Nominees Proprietary Limited ("Nominees") acts as nominee for the Foundation and is primarily responsible for its operation and governance. The Club owns all of the shares in Nominees and 3 of its 5 directors are currently directors of the Club. Nominees' relationship with the Club and its responsibilities are governed by both a charter and nominee agreement. The Foundation's financial operations and position are included within the Club's financial statements. The aim of the Foundation is to receive funds to ensure the Club remains viable for the long term and has the capital resources to achieve both its on field and off field objectives.

During the year the Foundation received \$220,050 in donations (2008: \$20,000) and generated \$40,921 in investment earnings (2008: \$2,019) which are included as donations and interest respectively.

These contributions have increased the surplus funds set aside for the Foundation to \$1,282,990 (2008: \$1,022,019). Refer to the Appendix to this financial report for further information in relation to the Foundation.

#### **25. Contingent Assets**

All Melbourne based AFL Clubs worked collaboratively to achieve a positive tenancy agreement outcome from the MCC and Etihad Stadium. The revenue to be received by the club for its 7 home games in 2009 is \$700,000. This payment is conditional upon legislation being passed through the Victorian Parliament, which had not occurred as at 31 October 2009. As such this amount has not been recorded in the 2009 consolidated financial statements.

#### **26. Subsequent events**

No other matters or circumstances have arisen since 31 October 2009 that will significantly affect, or may significantly affect, the operations of the Club, the results of the operations, or the state of affairs of the Club in subsequent years.



## **Hawthorn Football Club Limited and its controlled entities**

### **Notes to the consolidated financial statements**

#### **27. Other information**

Registered office  
3/2 Stadium Circuit  
Mulgrave, Victoria, Australia 3170

Hawthorn Football Club Limited, incorporated and domiciled in Australia, is a company limited by guarantee.

## Directors' declaration

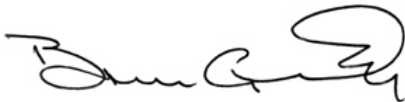
1. In the opinion of the directors of Hawthorn Football Club Limited ("the Club") and its controlled entities:
  - (a) the financial statements and notes, set out on pages 10 to 36, are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the financial position of the Club and the Group as at 31 October 2009 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards and the 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.

Dated at Melbourne this 16<sup>th</sup> day of November 2009.

Signed in accordance with a resolution of the directors:



J G Kennett  
*Director*



B C Growcott  
*Director*

## Independent auditor's report to the members of Hawthorn Football Club Limited and its controlled entities

### Report on the financial report

We have audited the accompanying financial report of Hawthorn Football Club Limited (the Club), which comprises the balance sheets as at 31 October 2009, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 27 and the directors' declaration set out on page 37 of the Group comprising the Club and the entities it controlled at the year's end or from time to time during the financial year.

### Directors' responsibility for the financial report

The directors of the Club are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report of the Group, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Club's and the Group's financial position and of their performance.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

### Auditor's opinion

In our opinion:

(a) the financial report of Hawthorn Football Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Club's and the Group's financial position as at 31 October 2009 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report of the Group also complies with International Financial Reporting Standards as disclosed in note 1.



KPMG



B W Szentirmay

Partner

Dated this 16<sup>th</sup> day of November 2009.

HFC FOUNDATION REPORT (a division of HFC Ltd)

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In 2008 the Board of Directors established the Foundation to seek philanthropic donations to provide a solid financial base which would secure the Club's long-term future. Whilst the Club is currently recognized as one of the most successful and profitable in the AFL, short term success does not always guarantee long term success as evidenced by the amalgamation discussions which took place in the mid 90's.

The objective of establishing a solid financial base is to enable the Club to build and maintain first class player, coaching and administrative facilities to support sustainable on-field success. In addition the Foundation will support those Community programs which deliver significant benefits to the community, which expand the Club's supporter reach and which provide access to a wider talent pool. Whilst some of these objectives can be funded from "normal" operations it is envisaged that the demand for financial resources to support the Club's aspirations in these areas require Foundation funding if they are to be achieved.

A three phased strategy has been implemented to achieve the Foundation's philanthropic targets. The first phase has been in place for 12 months and has been targeted at major donors. The second phase, the establishment of the Hawks Bequest Society was implemented in August this year using our 2 Bequest Society ambassadors Graham Arthur and David Parkin. The third phase, the annual giving program, will be implemented in March/April 2010.

On behalf of the Board I would like to thank all donors to both programs for their generous contributions. I would also like to thank John Allen, General Manager of the Foundation and the directors of HFC Foundation Nominees Pty Ltd, John Hatherley, Bruce Growcott, Andrew Newbold and Mark Rowsthorn for their efforts during the year.



Martin Ralston  
Chairman

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<sup>1</sup> The information contained in this Appendix does not form part of the audited statutory financial report of the Club for the year ended 31 October 2009. It has been prepared solely for the information of members and report users.

HFC Foundation (a division of HFC Ltd)<sup>2</sup>  
Profit and Loss Statement (extract)  
For the year ended 31 October 2009

	<b>2009</b>	<b>2008</b>
	<b>(\$)</b>	<b>(\$)</b>
<b>Income</b>		
Donations	220,050	20,000
Interest Received	40,921	2,019
HFC Reimbursements	66,515	15,909
<b>Total Revenue</b>	<b>327,486</b>	<b>37,928</b>
<b>Less Expenses</b>		
Salaries	57,205	-
Advertising	4,140	13,364
Printing & Stationary	5,170	2,545
<b>Total Expenses</b>	<b>66,515</b>	<b>15,909</b>
<b>Net Surplus</b>	<b>260,971</b>	<b>22,019</b>

HFC Foundation (a division of HFC Ltd)  
Balance Sheet (extract)  
As at 31 October 2009

	<b>2009</b>	<b>2008</b>
	<b>(\$)</b>	<b>(\$)</b>
<b>Current Assets</b>		
Term Deposits	1,122,990	1,022,019
Other Deposits	160,000	-
<b>Total Assets</b>	<b>1,282,990</b>	<b>1,022,019</b>
<b>Equity</b>		
Corpus Capital – HFC Ltd	1,000,000	1,000,000
Current Year Surplus	260,971	22,019
Prior Year Surplus	22,019	-
Accumulated Surplus	282,990	22,019
<b>Total Funds</b>	<b>1,282,990</b>	<b>1,022,019</b>

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<sup>2</sup> The information contained in this Appendix does not form part of the audited statutory financial report of the Club for the year ended 31 October 2009. It has been prepared solely for the information of members and report users.

## ENVIRONMENTAL REPORT

Hawthorn Football Club (HFC) understands the necessity to ensure a sustainable environment for our future and have implemented a range of initiatives with this in mind.

### Water Harvesting

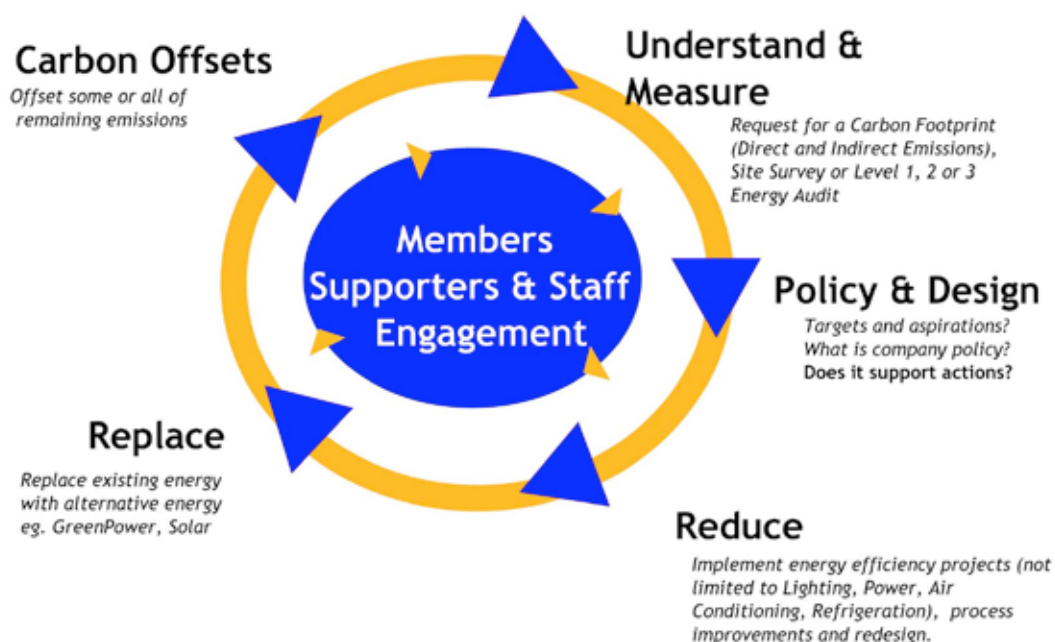
HFC has recently invested in a joint venture involving the State Government, Monash City Council, Mirvac and Woolworths which will provide the Waverley Park precinct with more than 30 megalitres in water savings per year. The Water Harvesting project involves the catchment of storm water from the nearby Woolworths distribution centre which will be piped to a storage tank and the community lake on the Mirvac Waverley Park residential development. This water will be used to keep Hawthorn's training ground in peak condition as well as any excess water to be used by community parks and gardens.

### Energy Efficiencies

With the execution of new building works at the Hawk's Waverley Park headquarters involving extensions and developments, HFC has exercised best practice in energy efficiencies throughout the building process. Sensor lights, which are automatically turned on when movement is detected and off when it is not, have been implemented for all new projects. The Club plans to replace all existing lighting with energy saving sensor lights in 2010.

### Carbon Offsetting

HFC engaged the services of Origin Energy to produce a greenhouse gas emissions report, enabling the club to further understand and measure the Club's carbon footprint. Subsequently the Club has offset all greenhouse gas emissions through the Carbon Reduction Scheme which includes all stationary energy, transport fuels for travel across the board and all emissions relating to functions during 2009.



The Club also uses other avenues to reduce our impact on the earth including recycling of paper, printing cartridges and plastics, and we are encouraged that our commercial partners exercise the same practices.

<sup>2</sup> The information contained in this Appendix does not form part of the audited statutory financial report of the Club for the year ended 31 October 2009. It has been prepared solely for the information of members and report users.

Annual financial report ends