

**HAWKS**



 Tasmania



# ANNUAL FINANCIAL REPORT

HAWTHORN FOOTBALL CLUB LIMITED

| YEAR ENDING 31 OCTOBER 2019 |

ACN 005 068 851

**HAWTHORN FOOTBALL CLUB LIMITED  
AND ITS CONTROLLED ENTITIES  
ACN 005 068 851  
ANNUAL REPORT  
FOR THE YEAR ENDED  
31 OCTOBER 2019**

# **HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES**

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# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2019

The Directors present their report together with the financial report of Hawthorn Football Club Limited ("Club") and the Group, (being the Club and its controlled entities), for the year ended 31 October 2019 and the auditor's report thereon.

### Directors

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

J G Kennett AC (President)	P W Nankivell (Vice-President)	R J Garvey
K Hudson*	A H Kaye AM **	L J Kristjanson AO***
L J Nolan	A Pellizzer****	R Sali
T Shearer	R P Vandenberg	

\* Appointed to the board 24 April 2019

\*\* Retired from the board 4 July 2019

\*\*\* Retired from the board 11 December 2018

\*\*\*\* Appointed to the board 16 October 2019

### Principal Activities

The principal activities of the Club are to compete within the Australian Football League ("AFL") by maintaining, providing, supporting and controlling a team of footballers bearing the name of the Hawthorn Football Club. In 2019 the Club also fielded a Women's team in the Victorian Football League (VFL). There were no significant changes in the nature of the principal activities during the year.

### Dividends

The Constitution of the Club 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 financial accounts. The consolidated group ("Group") comprises the Club, HFC CS Fixed Trust ("CSFT"), Box Hill Hawks Football Club Ltd ("BHHFC"), HFC Foundation including the Public Ancillary Fund through its nominee HFC Foundation Nominees Pty Ltd ("Foundation"), HFC Land Pty Ltd ("HFC Land") as trustee of the HFC Land Trust and Sweat Sports Pty Ltd ("Legacy Sports") as trustee of Sweat Sports Unit Trust.

The Foundation is the trustee of the HFC Foundation (Public Ancillary Fund).

The Club is the sole unit holder of HFC Land Trust for which HFC Land Pty Ltd is the trustee.

The Club is the sole unit holder of Sweat Sports Unit Trust for which Sweat Sports Pty Ltd is the trustee. Legacy Sports generates consulting fee's through providing sports consulting services and was a newly formed entity during the 2019 financial year.

The Club is the sole unit holder of CSFT, which in turn, owns a 73% interest in a Caroline Springs Joint Venture (CSJV), the nominee for which is CSJV Nominees Pty Ltd. CSJV is the leasehold operator of the WestWaters Hotel & Entertainment Complex.

While the 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 consequently consolidates this entity.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### Operating and Financial Review

The Club is delighted to announce a net surplus for the year ended 31 October 2019 of \$2,150,210 (Club 2018: \$2,011,363).

The consolidated net surplus attributable to the members of the Group for the year ended 31 October 2019 is \$5,005,886 (Consolidated 2018: \$4,626,038).

### Short and Long Term Objectives of the Club

As the Club continues towards its 2050 vision, it remains well placed with regards to its current five-year strategic plan; 'Dare to be Different.'

There are several strategic priorities outlined within 'Dare to be Different, including winning two premierships, achieving 100,000 members, generating funding for our new training and administration facility named the Kennedy Community Centre, securing an AFLW licence and extending the Club's Tasmanian Government partnership and above all maintaining financial independence.

Hawthorn's membership base is officially 81,211 strong. The Club set a new record in 2019, surpassing last year's total of 81,017 passionate members. The announcement saw Hawthorn become the only AFL Club to have set a new membership record for 13 consecutive years.

The Kennedy Community Centre project continues to progress, with over \$27m raised through the Club's Foundation for the project to date. The architects and design team have been appointed and an updated planning scheme amendment has been lodged with the Kingston City Council.

While the Club is yet to receive an official timeline on its entry into the AFLW competition, it continues to lobby the AFL strongly.

### Performance Management

In the current strategic plan, the Club measures its performance across five key strategic pillars, namely; Football, Commercial Growth, People, Family and Facilities.

The Club has made several key appointments across 2019 to ensure it is fit for purpose. These include the appointment of the following roles; Indigenous Development Manager, Director of Coaching, People and Culture Business Partner, Strategy and Business Analysis Manager and Venues Manager.

The development and wellbeing of Hawthorn's people remains at the forefront of all the Club's thinking. With this in mind, the Club realigned the structure of its People and Culture team to reflect this. The Indigenous Development Manager now reports directly to the GM – People and Culture, with the aim of strengthening the Club's approach to Aboriginal and Torres Strait Island people and initiatives, through a whole of Club approach. In 2019 the Club launched its Reconciliation Action Plan.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### Operating and financial review (continued)

#### Performance Management (continued)

The Club's focus on innovation remains unwavering, with the Hawks Abroad program heading into its second year. Hawks Abroad is an annual program which offers several staff within the business the opportunity to undertake an overseas study tour. The second Hawks Abroad trip took place in October, with a select group of staff travelling to Shanghai and Tokyo to research innovation and customer service.

#### Board of Directors

During 2019 the Board welcomed Katie Hudson and Anne-Marie Pellizzer as Directors. The Board farewelled Linda Kristjanson and Andrew Kaye who both retired as directors during the 2019 financial year. On behalf of all members the Board extends our sincere thanks to Linda and Andrew for their contribution to the Club.

#### Football

While the Hawks were unable to finish inside the top 8 in 2019, there were glimpses of great promise shown for the future, particularly in the back half of the season. The side finished the season with 11 wins and 11 losses, having beaten majority of the teams within the top 8 on at least one occasion across the year. The emergence of the Club's next wave of young talented players was incredibly encouraging. James Worpel and Mitchell Lewis had breakout seasons in 2019. Lewis was nominated for the 2019 AFL Rising Star Award, while James Worpel became Hawthorn's youngest best and fairest winner since Leigh Matthews. Jaeger O'Meara and James Sicily played some of their most consistent football in the brown and gold. Further to that, five of the top six finishers in the 2019 Peter Crimmins Medal were aged 25 or under.

For the second year in a row, Hawthorn celebrated one of the most decorated servants of the game with Shaun Burgoyne surpassing Adam Goodes to become the Indigenous games played record-holder. While the Hawks were unable to get the win in Burgoyne's 373rd game, the milestone was celebrated widely in the football community throughout the week leading up to the game.

The Club farewelled Jarryd Roughead, who retired from the AFL as a one Club player after 283 superb games, two All-Australian selections, a Coleman Medal and four premierships. Roughead was given a fitting farewell, pulling on the boots one last time in Round 22 against Gold Coast. The game drew a crowd of 31,000 adoring fans and Roughead did not disappoint, booting six goals in his final outing for the Hawks.

Luke Breust, Ben McEvoy, Liam Shiels and Isaac Smith all celebrated their 200 game milestones, while Ricky Henderson notched his 150th and Jarman Impey his 100th.

Throughout the season, the Club extended the contracts of several players including James Worpel, Tom Mitchell, Jaeger O'Meara, Ben McEvoy, Ben Stratton, James Frawley, Tim O'Brien, Conor Nash, Oliver Hanrahan, Ricky Henderson, Mitch Lewis, Jarman Impey and James Sicily.

Unfortunately, the Club was without 2018 Brownlow Medallist Tom Mitchell, who missed the entire 2019 season with a broken leg. Grant Birchall again had a frustrating year with injury, managing just three games for the season. While Tom Mitchell's recovery is tracking well for a strong pre-season, sadly the Hawks will head into 2019 without Jarman Impey, who suffered a season ending ACL injury in Round 18 against Geelong.

Trade Period brought some exciting additions to the Hawks playing group in Jonathon Patton and Sam Frost. We look forward to seeing what the pair can achieve in the brown and gold next season. Grant Birchall and Marc Pittonet departed the club for the Brisbane Lions and Carlton, respectively. Grant Birchall departs the club a four-time premiership player, a life member of the Hawthorn Football Club and in 15th position on the Club's all-time games list. Alongside Jarryd Roughead, we farewelled Premiership player and life member Ryan Schoenmakers along with Tim Mohr as they hung up the boots on their AFL careers.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2019

## Operating and financial review (continued)

### Football (continued)

Hawthorn Assistant Coach Darren Glass departed the Hawks to return home to Perth and take up the list manager role at West Coast Eagles. In more positive news, former Hawks Assistant Coach Brendon Bolton returned to the Hawthorn family and will take on the role of Director of Coaching in 2019 and beyond.

Hawthorn's VFLW side fell short of defending their 2018 premiership victory, failing to qualify for the 2019 finals series.

The Hawks headed into the final round of the VFLW season with their finals' chances still alive but were unable to topple the second-placed Collingwood to secure a berth in the series.

The VFLW side said goodbye to three highly respected players at the conclusion of the 2019 season. Steph Carroll, Jess Sibley and Dianna Haines called time on their VFLW careers following the Hawks final game of the year in Round 16 against Collingwood. All three joined the Hawks in 2018, having arrived at the Club through differing avenues.

Rosie Dillon was announced as Hawthorn's 2019 VFLW Best and Fairest. The 23-year-old received a standing ovation as she polled 49 votes to take home the award. Rebecca Beeson came in as a close second with 47 votes and Lou Wotton placed third with 36 votes.

At the conclusion of the season the Club also farewelled inaugural VFLW Coach Paddy Hill, who accepted an AFLW assistant coaching role with the Saints. The VFLW premiership winning coach will coach the Saints VFLW side, alongside his AFLW duties. The Hawks had offered Hill a continuation of his role as VFLW senior coach for the 2020 Season, but the opportunity provided by St Kilda offered a significant development opportunity that was too good to refuse.

The AFLW trade period was bittersweet for the Hawks with seven of its VFLW players drafted to senior lists. Hawthorn boasted the largest draft export of any of the VFLW Clubs, a fantastic result for each individual, and a great reflection on the quality of Hawthorn's VFLW program.

The Box Hill VFL side finished the season strongly to secure a finals appearance and a chance at defending their 2018 title. Unfortunately, it wasn't to be, with the Hawks losing an elimination final to Werribee.

David Mirra capped off another incredible individual campaign with the Box Hill Hawks, winning his second Col Austen Trophy. The former captain played 15 VFL matches in 2019, averaging 19.3 disposals, seven marks and two tackles a game.



# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### Operating and financial review (continued)

#### Tasmania

Whilst the conversation around the creation of a Tasmanian AFL team gained significant momentum in 2019, the Club has been working in conjunction with the Tasmanian Taskforce, providing assistance and support where required. The Club remains completely committed to Tasmania and has continued to build relationships and contribute to the Tasmanian community in meaningful ways.

Key achievements in 2019 include the signing of Memorandums of Understanding with the University of Tasmania and the Department of Health; the winning of the first-ever Gold State Tourism Award by a sporting association; recognition as a finalist in the TasPlan Business Excellence Awards; and the launch of the first ever 'Healthy Tasmania Game' in partnership with the Tasmanian Government. The Healthy Tasmania Game focused on amplifying health and wellbeing messages in an effort to encourage positive behavioural change amongst young Tasmanians.

With two years left of the current contract, and the potential for a renewed partnership beyond 2021, it was important to continue the Club's commitment to innovation, community and the delivery of great football content to the people of Tasmania.

The Club's collective efforts in Tasmania realised the best outcomes in the 18 years of operation in Tasmania. From achieving the highest-ever number of Tasmanian members and the largest crowds in seven years to securing record investment in community programs and accolades for our match day themes, 2019 has been an outstanding year both for the Club and for the people of Tasmania who continue to support our presence in Launceston, our home-away-from-home.

#### Facilities

The Kennedy Community Centre (KCC) marks the most significant transformation in the history of the Hawthorn Football Club. Plans for KCC are well underway, with the goal of creating the premier sporting and community facility in Melbourne's south east at front of mind as planning continues to move forward.

The Club has appointed the project's architect and lead consultant, as well as the necessary engineers and surveyors to undertake the required planning and work at this stage of the project.

In February the Club celebrated a major milestone in the KCC journey, with the very first trucks starting work on the site with the commencement of surcharge pad trials.

Engagement with Federal, State and Local Government regarding the KCC has been strong and sustained throughout 2019 with all levels of government increasingly engaged with the project.

The Club's advocacy approach has focused on the revised funding envelope, the significant community footprint and the unique position of Hawthorn in contributing the majority of funding.

The next six months are critical as the club finalises our planning scheme amendment and continues to fundraise through all levels of Government. The Club currently holds a strong short term cash position which will enable works to be commenced as soon as the planning scheme amendment is finalised.



# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2019

## Operating and financial review (continued)

### Investments

The Clubs' commercial investments performed solidly during the 2019 year. WestWaters Hotel and Entertainment Complex maintained its status as a premier accommodation and entertainment venue in the western suburbs, a continually growing area both commercially and residentially.

Vegas at Waverley Gardens moved in to its 23rd year of trade in 2019 performing well throughout the financial year. The venue is currently undergoing renovations to introduce a family friendly bistro and will be rebranded The Garden Bar and Bistro in November 2019. The Club is looking forward to the expansion of the venue's offering in what remains an important investment for the Club.

### Sponsorship

In 2019 the Club's major partnerships continued with the Tasmanian Government, iiNet, adidas and Bupa. Nissan Motors Australia joined as the Club's motor vehicle partner and AZEP as coaches box partner. Limestone Coast Wines joined as the official wine partner and several new partnerships such as BankVic, TAC, Worksafe, Chemist Warehouse, United Petroleum, Fitness First, and PFD Foods supported numerous programs with the Club

The Club continues to service strong and rewarding relationships with these and its other commercial partners and thanks all partners for their ongoing support.

### Corporate Sales

The Club's Corporate Hospitality team delivered a strong result in 2019. Home products in Tasmania were the standout with a 17% increase year on year. Our MCG Corporate Suites also continued to prove to be a valuable asset for the Club with a 15% increase year on year. Pleasingly, our non-AFL events, such as Melbourne Cup Carnival, Australian Grand Prix and other major events continue to act as a solid revenue raiser within our commercial team.

### Membership and Merchandise

The Club broke its all-time membership record for the 13th consecutive year. This season's final membership tally finished at 81,211 (2018: 81,017) with the overall membership renewal rate a healthy 85.2%. Tasmania also reached a record membership number this season with 9,564 Tasmanians joining the Club.

The Merchandise department recorded a sound result in 2019 with gross revenues exceeding \$1.2 million and a healthy gross profit margin of 45%, with online sales contributing over 52% of sales.

### Match Day Attendances

The Club recorded an average attendance of 40,879 across seven Melbourne home games in 2019. Season highlights included the Easter Monday clash against Geelong (66,347) and the inaugural Emergency Services Match against Collingwood (66,407). Strong Tasmanian attendances in Rounds 17 and 19 resulted in an overall 2019 aggregate attendance of 55,688 – the highest attendance in Tasmania since 2012.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### Operating and financial review (continued)

#### Foundation

The Hawthorn Football Club Foundation plays a vital role in supporting the Club whilst it builds towards a prosperous future. Our goal is to be the leading Australian sporting Club in the philanthropic space by developing a sustainable culture of philanthropy across the Hawthorn family.

The Foundation has four pillars:

#### **1. Facility – Kennedy Community Centre**

Delivering a purpose-built elite training, administration and community facility for our Club, The Kennedy Community Centre will honour the Kennedy family values, ensuring strength on and off the field. The Centre will deliver our commitment to be the ultimate destination for players, coaches, staff, members, fans and the community.

#### **2. Community**

The Foundation is committed to supporting the Club's community pillars of Mental Health, Indigenous and Social Inclusion. It is committed to developing, growing and ensuring the sustainability of the community engagement programs of Hawthorn Football Club.

This year, the Foundation has received over \$315,000 in generous donations from several philanthropic organisations in support of these programs.

Specific thanks to; the Epic Good Foundation who fund the Club's Indigenous Programs, aiming at Closing the Gap in Indigenous education, health and employment. The Australian Foundation For Disability (Afford) who support the Club's Social Inclusion programs focussing on people living with disability. The Phillips Foundation and Navarra Care Foundation who both contribute to the Kokoda Youth Challenge Program as part of the Club's Mental Health community pillar and finally, the Lyngala Foundation who fund the delivery of the Club's Mental Health and Wellbeing Community Football Education Program in the Outer East and Eastern Football Leagues.

In addition to these donations, the Club's community engagement programs will be further supported through a \$170,000 grant from the National Disability Insurance Agency (NDIA) to become leaders in the employment of people with disability.

Another significant milestone achieved was a further five-year commitment from the Epic Good Foundation towards the Club's Indigenous programs. This will take the association to a 10-year partnership with an extended commitment of \$1.25m from 2020-2024.

Furthermore, in recognition of the meaningful community engagement activities that are being undertaken by Hawthorn Football Club, the Australian Charities and Not-for-Profits Commission (ACNC) recently registered the Hawks Community Foundation as a Public Benevolent Institute with Deductible Gift Recipient 1 (DGR1) status. This is a substantial achievement for the Club and will grant the new Hawks Community Foundation access to new sources of funding for future growth and development of the community framework.

#### **3. Heritage**

The Foundation is committed to preserving and honouring the past, so all Hawthorn supporters and the wider community have the opportunity to understand and celebrate the role that Hawthorn has played in shaping the Australian sporting landscape of today.

Through the Glenferrie Gold Patrons program, the Foundation raised over \$26,000 throughout the past twelve months.

#### **4. Bequests**

The Always Hawthorn Bequest Club has 67 confirmed bequestors, including 8 new bequestors who confirmed a commitment to the Club in 2019. The Hawthorn Football Club Foundation would like to thank all members of the Always Hawthorn Bequest Club who have made a significant commitment to the Club's future.

In 2019, the Public Ancillary Fund received donations totalling \$3,037,776 and generated \$170,303 in investment earnings. These contributions have assisted in increasing the funds of the Public Ancillary Fund to \$10,718,445 at 31 October 2019.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### Operating and financial review (continued)

#### Community

Making a difference in our wider community is at the heart of what the Hawthorn Football Club is about. Our aim is to provide programs that are tailored to meet the needs of the community while also delivering a positive impact.

2019 has seen our engagement and partnerships continue to strengthen across Melbourne's Eastern and South East areas, Gippsland, Tasmania and Northern Territory. The heart of our community engagement and initiatives remains focused in its delivery of significant programs and outcomes for:

- Indigenous Australians
- Mental Health
- Social Inclusion

#### *Indigenous Programs*

Our vision is to Close the Gap in Indigenous health, education and employment by delivering programs that focus on improving the education, mental health and social/emotional well-being of Indigenous people.

Key partnerships include the Indigenous Literacy Foundation, the Big River Hawks and Sir Doug Nicholls Round annually. Our aim is to empower Aboriginal and Torres Strait Islander young people to reach their full potential through the delivery of the following programs and initiatives:

- Worawa College Work Ready Program
- School Attendance Program in Beswick (Wugularr) and Wadeye in the Northern Territory
- Deadly Choices partnership

#### *Mental Health*

Our vision is increase the awareness of mental health issues and bring about behavioural change by delivering education programs that equip young Australians with the knowledge of, and tools required, to tackle anxiety and depression so they can help themselves and others.

The Club works with the following partners in this space to deliver change in local communities:

- Beyond Blue
- Headspace
- Sport and Life Training (SALT)
- Kokoda Youth Foundation

#### *Social Inclusion*

Hawthorn is committed to social inclusion and empowering people of all abilities, gender and cultural background to collaborate, lead and create a sense of belonging. Our aim is to create a more accepting and inclusive community and environment.

The Club was proud and honoured to host the Inaugural Down Syndrome Inclusion Match and Women's FIDA Match at Waverley Park in 2019. It was also extremely proud to win the premiership in the inaugural AFL Blind competition.

The Club's partnerships and programs include:

- FIDA
- National Inclusion Carnival
- Wheelchair AFL
- AFL Blind
- Sensory Friendly Space at the MCG
- Inclusion Match

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2019

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

### **Hawks Museum**

The Hawks Museum has enjoyed another successful year in 2019 with over 4,500 visitors. The 'Friends of the Hawks Museum' program also continued to grow with over 680 members showing their support by joining or re-joining. In addition, the 'Glenferrie Gold' Life Patrons of the Hawks Museum program added a further 27 members, bringing the number of Life Patrons to 172.

One of the major projects in 2019 was the introduction of a new exhibit highlighting the Club's 17 Indigenous players from Cyril Collard, who first played in 1957 to this year's debutant, Chad Wingard. Other new displays this year feature the 2018 Premiership successes of our VFLW and Division 1 Hawks Netball teams, a tribute to Ian Dicker and the update of the Team Photo Wall from 2001 to 2019 teams. Furthermore, Glenferrie Gold Life Patron of the Hawks Museum and former Club President, Ian Dicker has kindly assisted with the return to the Club of two Leigh Mathews Best & Fairest trophies from 1976 and 1977 respectively.

In a significant achievement for the Hawks Museum, the three-year re-accreditation program with Museums Australia has been successfully completed. Hawthorn is the only Club in the AFL to achieve this significant standard of museum practice.

### **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 Group, other than those disclosed in this report.

### **Environmental regulation**

The Dingley property owned by HFC Land is subject to environmental regulations and the Club actively manages its obligations in this respect.

The Club's day to day 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 have an objective to be a leader within the AFL and sporting community generally.

### **Events Subsequent to Balance Date**

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 Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

# **HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES**

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2019

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

### **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 Club 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 Club or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as auditor, 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 as auditor 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 2019

### Information on Directors / Company Secretary

Name	Qualifications / Club Portfolio	Experience	Date Appointed/ Resigned
<b>Directors:</b>			
J G Kennett AC (President)	Chairperson of the Board	Premier of Victoria 1992-1999 Chairperson / Director of various Private and Public companies	9 October 2017
P W Nankivell (Vice-President)	Chairperson of the KCCC, Member of FRMC, Member of the D2BDC, Member of the CSJV, Member of IMC Bachelor of Commerce, Bachelor of Laws, Masters of Law	Consultant Lawyer Thomson Geer, Company Director	11 December 2014
R J Garvey	Chairperson of FRMC, Chairperson of the CSJV, Member of IMC, Bachelor of Commerce, FCA, MBA	Chartered Accountant, Company Director / Consultant	18 October 2010
K Hudson	Chairperson of IMC, Bachelor of Commerce, University of Melbourne Formerly Chartered Accountant	Director and shareholder, Yarra Capital Management Managing Director, Goldman Sachs Asset Management Partner and equities analyst, JBWere Fund manager	24 April 2019 (Appointed)
A H Kaye AM	Former Chairperson of the H&TC, MB, BS, MD, FRACS	Neurosurgeon Professor of Surgery Head, Dept of Surgery The University of Melbourne Director, Dept of Neurosurgery The Royal Melbourne Hospital 1992- 2018	4 July 2019 (Resigned)
L J Kristjanson AO (former Vice- President)	Former Member of the I&CC, BN, MN, PhD, FAICD, FTSE	Vice-Chancellor and President of Swinburne University	11 December 2019 (Resigned)
L J Nolan	Chairperson of I&CC, Bachelor of Arts (Honours), Master of Arts, Graduate Diploma (Public Sector Management), Advanced Management Program, Harvard University	CEO, Ovarian Cancer Research Foundation, Company Director	21 September 2016

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### Information on Directors / Company Secretary (continued)

Name	Qualifications / Club Portfolio	Experience	Date Appointed/ Resigned
A Pellizzer	Chairperson of H&TC, Awards and Past Players Committee Bachelor of Medicine and Bachelor of Surgery Fellow of the Royal Australasian College of Physicians Fellow of the Joint Faculty of Intensive Care Medicine Member of Glenferrie Gold	Consultant physician, St Vincent's Hospital and private practice Chairperson St Vincent's Hospital Human Research and Ethics Committee 2003-2011 Company Director	16 October 2019 (Appointed)
R Sali	Chairperson of the D2BDC, Member of the CCC, Bachelor of Arts, Certificate of Finance, Certificate of Leadership, CEO in Residence – Melbourne University	Chairperson & Founder Light Warrior Group, Swisse Wellness Pty Ltd: CEO Managing Director General Manager Operations Manager Partner, Village Cinemas and related entities.	15 February 2018
T Shearer	Chairperson of the Hawthorn Football Club Foundation, Chairperson of the CCC Bachelor of Business (Economics/Marketing), Graduate Diploma of Education	Scotch College Director of Development, Scotch College Foundation Executive Director	15 February 2018
R P Vandenberg	Chairperson of the FSC, Bachelor of Business	HFC Past Player, 145 AFL games, Captain HFC 2005-07, Company Director / CEO	21 September 2016
<b>Company Secretary:</b>			
T Silvers	Member of FRMC, Member of the CSJV, Member of the KCCC, Member of the I&CC, Member of the D2BDC Member of the IMC, Member of the CCC Bachelor of Commerce, Grad Dip (Acc), Certified Public Accountant (CPA)	15 seasons of AFL industry experience, Director BHHFC	19 October 2011



# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

### Governance

The number of Directors' meetings and number of meetings attended by each of the Directors of the Club during the financial year were:

Name of Director	Directors' meetings	
	A	B
J G Kennett (President)	11	11
P W Nankivell (Vice President)	11	9
R J Garvey	11	10
L J Nolan	11	10
A H Kaye	7	7
L J Kristjanson	2	2
R Sali	11	10
T Shearer	11	11
R P Vandenberg	11	9
K M Hudson	6	6
AM Pellizzer	1	1

A Reflects the number of meetings held during the time the Director held office during the year

B Number of meetings attended

### Finance and Risk Management Committee (FRMC)

The Club's Finance and Risk Management Committee comprises: R Garvey (Chair), P Nankivell (Director), J Reeves, T Silvers, A Klein, A Singh (Executives), H Hogan (Staff) O Kysela and A Cronin (Independent members) 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.

### Integrity and Compliance Committee (I&CC)

The Club's Integrity and Compliance Committee comprises: L Nolan (Chair), T Silvers, M Nolan (Executives), R McCartney, K McDonald, M Makdissi (Staff), K Casey, B Buick, G Farrell (Independent members) which meets bi-monthly and is primarily responsible for reviewing the integrity and compliance regulatory requirements across the Club.

### Caroline Springs Joint Venture (CSJV)

The Board of directors of CSJV Nominees Pty Ltd (the JV manager) comprises: R Garvey (Chair), P Nankivell, E Gauci, J Gauci (Directors), J Reeves, T Silvers, A Singh (Executives), D Burston and M Owens (Staff). The board meets bi-monthly to review and assess the operations of WestWaters Hotel and Entertainment Complex and provide strategic direction.

### Kennedy Community Centre Committee (KCCC)

The Club's Kennedy Community Centre Committee comprises: P Nankivell (Chair), J Reeves, G Wright, T Silvers, K Brewer (Executives), G McNally (Staff), J Deague, B Harris, L Stamboulis (Independent members) which meets bi-monthly and is primarily responsible for providing strategic direction in the Club's relocation of its training and administration base to Dingley along with the development of community facilities. Recommendations are then provided to the board.

### Football Sub Committee (FSC)

The Club's Football Sub Committee comprises: R Vandenberg (Chair), J Reeves, G Wright (Executive), A Clarkson, D Carroll, R McCartney, L Boyd, A Lambart (Staff) which meets monthly and is responsible for overseeing the operations, list management and integrity of the football department.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2019

## Governance (continued)

### Dare to be Different Committee (D2BDC)

The Club's Dare to be Different Committee comprises: R Sali (Chair), P Nankivell (Director), J Reeves, T Silvers, A Klein (Executives), B Harris, A Gregory, C Mills, M Berriman, T Sternson (Independent members) which meets bi-monthly and is primarily responsible for reviewing the development and implementation of strategic business development initiatives, and ensuring initiatives are consistent with the Club's Strategic Plan.

### History and Tradition Committee (H&TC)

The Club's History and Tradition Committee comprises: AM Pellizzer (Chair), K Brewer (Executive), A Smith (Staff), D Harford, P Hudson, J Kennedy (Jnr), A Martello, B Sewell (Independent members) which meets bi-monthly and is primarily responsible for reviewing and providing ongoing direction for the preservation of the Club's history and traditions.

### Capital Campaign Committee (CCC)

The Club's Capital Campaign Committee comprises: T Shearer (Chair), R Sali (Director), J Reeves, T Silvers, K Brewer (Executives), S Spence (staff), P Hudson, P Knights, M Hawthorne, C Karagounis, J Dicker, M Ralston (Independent members). This committee will meet monthly and is primarily responsible for raising funds through donations to deliver the Kennedy Community Centre.

### Investment Management Committee (IMC)

The Club's Investment Management Committee comprises: K Hudson (Chair), R Garvey, P Nankivell (Directors), J Reeves, T Silvers, A Singh (Executives), H Hogan (Staff), A Gregory, C Voigt, A Sutherland (Independent members). This newly formed committee is responsible for overseeing the investment management of the funds of both the Club & Foundation.

## Other

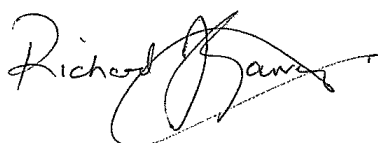
Individual Club Directors chair meetings of these Board Sub Committees. The Club is represented on the Board of the HFC Foundation and Box Hill Hawks Ltd.

### Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 17 and forms part of the Directors' report for the financial year ended 31 October 2019.



J G Kennett, President



R J Garvey, Director

Dated at Melbourne 12 November 2019

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

FOR THE YEAR ENDED 31 OCTOBER 2019



## 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 of Hawthorn Football Club Limited for the financial year ended 31 October 2019 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.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'Tony Romeo'.

Tony Romeo

*Partner*

Melbourne

12 November 2019

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2019

For the year ended 31 October 2019

		Consolidated		The Club	
	Note	2019	2018	2019	2018
		\$	\$	\$	\$
<b>Continuing operations</b>					
Revenue	4	76,199,406	74,339,727	54,779,960	53,646,355
Cost of sales		(2,931,885)	(3,064,354)	(922,192)	(1,139,445)
Gross surplus		73,267,521	71,275,373	53,857,768	52,506,910
Other income	4	195,899	205,009	31,538	38,130
Sponsorship, membership & fundraising expenses		(10,803,343)	(10,151,404)	(10,626,307)	(9,963,900)
Employee and player expenses		(38,166,256)	(37,145,842)	(32,169,262)	(31,310,888)
Marketing expenses		(1,609,538)	(1,504,766)	(927,792)	(833,799)
Depreciation & amortisation		(2,463,676)	(2,417,382)	(1,111,382)	(1,076,668)
Venue management fees		(422,990)	(399,715)	-	-
Other football operations expenses		(2,751,046)	(2,709,738)	(2,940,777)	(2,924,568)
Other expenses in respect to ordinary activities		(12,617,898)	(12,659,828)	(4,648,553)	(4,990,416)
		(68,638,848)	(66,783,666)	(52,392,535)	(51,062,109)
<b>Results from operating activities</b>		<b>4,628,673</b>	<b>4,491,707</b>	<b>1,465,233</b>	<b>1,444,801</b>
Finance income	5	865,016	674,499	684,977	566,562
Finance expenses	5	(378,838)	(438,828)	-	-
<b>Net finance income</b>		<b>486,178</b>	<b>235,671</b>	<b>684,977</b>	<b>566,562</b>
<b>Surplus before income tax</b>		<b>5,114,851</b>	<b>4,727,378</b>	<b>2,150,210</b>	<b>2,011,363</b>
Income tax expense	3(i)	-	-	-	-
<b>Net surplus for the year</b>		<b>5,114,851</b>	<b>4,727,378</b>	<b>2,150,210</b>	<b>2,011,363</b>
<b>Other comprehensive income</b>					
<b>Items that will never be reclassified to the profit or loss</b>					
Net change in fair value of investments		(60,461)	333,195	(60,461)	333,195
<b>Total other comprehensive income for the year</b>		<b>(60,461)</b>	<b>333,195</b>	<b>(60,461)</b>	<b>333,195</b>
<b>Total comprehensive income for the year</b>		<b>5,054,390</b>	<b>5,060,573</b>	<b>2,089,749</b>	<b>2,344,558</b>
<b>Total surplus attributable to:</b>					
Members of Hawthorn Football Club		5,005,886	4,626,038	2,150,210	2,011,363
Minority Interests		108,965	101,340	-	-
		<b>5,114,851</b>	<b>4,727,378</b>	<b>2,150,210</b>	<b>2,011,363</b>
<b>Total comprehensive income attributable to:</b>					
Members of Hawthorn Football Club		4,945,425	4,959,233	2,089,749	2,344,558
Minority Interests		108,965	101,340	-	-
		<b>5,054,390</b>	<b>5,060,573</b>	<b>2,089,749</b>	<b>2,344,558</b>

The income statements are to be read in conjunction with the notes of the financial statements set out in pages 22 to 42.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2019

<b>Consolidated</b>	<b>Minority Interest</b>	<b>Retained earnings</b>	<b>Fair Value reserve</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening balance 1 November 2017	471,431	45,456,015	604,936	46,532,382
<b>Total comprehensive income for the year</b>				
Total other comprehensive income	-	-	333,195	333,195
Surplus for the period	101,340	4,626,038	-	4,727,378
Total comprehensive income for the year	101,340	4,626,038	333,195	5,060,573
Minority Equity Contribution		-	-	-
Closing balance at 31 October 2018	<b>572,771</b>	<b>50,082,053</b>	<b>938,131</b>	<b>51,592,955</b>
Opening balance at 1 November 2018	572,771	50,082,053	938,131	51,592,955
<b>Total comprehensive income for the year</b>				
Total other comprehensive income for the year	-	-	(60,461)	(60,461)
Surplus for the period	108,965	5,005,886	-	5,114,851
Total comprehensive income for the year	108,965	5,005,886	(60,461)	5,054,390
Minority Equity Distribution	(135,000)	-	-	(135,000)
<b>Closing balance at 31 October 2019</b>	<b>546,736</b>	<b>55,087,939</b>	<b>877,670</b>	<b>56,512,345</b>
<b>Club</b>	<b>Minority Interest</b>	<b>Retained earnings</b>	<b>Fair Value reserve</b>	<b>Total members' equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening balance 1 November 2017	-	39,534,775	604,936	40,139,711
<b>Total comprehensive income for the year</b>				
Total other comprehensive income	-	-	333,195	333,195
Surplus for the period	-	2,011,363	-	2,011,363
Total comprehensive income for the year	-	2,011,363	333,195	2,344,558
Closing balance at 31 October 2018	-	<b>41,546,138</b>	<b>938,131</b>	<b>42,484,269</b>
Opening balance at 1 November 2018	-	41,546,138	938,131	42,484,269
<b>Total comprehensive income for the year</b>				
Total other comprehensive income for the year	-	-	(60,461)	(60,461)
Surplus for the period	-	2,150,210	-	2,150,210
Total comprehensive income for the year	-	2,150,210	(60,461)	2,089,749
<b>Closing balance at 31 October 2019</b>	<b>-</b>	<b>43,696,348</b>	<b>877,670</b>	<b>44,574,018</b>

The income statements are to be read in conjunction with the notes of the financial statements set out in pages 22 to 42.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## STATEMENTS OF FINANCIAL POSITION FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	Consolidated		The Club	
		2019	2018	2019	2018
<b>Current Assets</b>		\$	\$	\$	\$
Cash and cash equivalents	6	28,086,924	25,978,402	15,210,750	16,216,503
Trade & other receivables	7	1,633,000	1,871,149	1,558,141	1,638,066
Inventory	8	946,523	755,044	803,615	622,629
Other	9	505,624	728,609	459,411	541,138
<b>Total current assets</b>		<b>31,172,071</b>	<b>29,333,204</b>	<b>18,031,917</b>	<b>19,018,336</b>
<b>Non Current Assets</b>					
Trade & other receivables	7	-	-	15,326,375	14,712,648
Other	9	830,346	447,159	254,579	127,289
Investments	10	4,164,597	3,889,908	4,164,597	3,889,908
Investment property	11	3,433,890	3,508,886	3,433,890	3,508,886
Property, plant & equipment	12	22,617,569	21,724,880	10,249,208	9,574,764
Intangible assets	13	12,501,036	13,175,940	113,438	154,688
<b>Total non-current assets</b>		<b>43,547,438</b>	<b>42,746,773</b>	<b>33,542,087</b>	<b>31,968,183</b>
<b>Total assets</b>		<b>74,719,509</b>	<b>72,079,977</b>	<b>51,574,004</b>	<b>50,986,519</b>
<b>Current Liabilities</b>					
Payables	14	7,202,206	8,527,299	4,239,517	5,394,652
Interest bearing loans & borrowings	15	500,000	8,380,000	-	-
Employee entitlements	16	2,113,402	2,063,458	1,721,996	1,733,104
Other liabilities	17	996,031	1,385,464	932,228	1,270,336
<b>Total current liabilities</b>		<b>10,811,639</b>	<b>20,356,221</b>	<b>6,893,741</b>	<b>8,398,092</b>
<b>Non Current Liabilities</b>					
Interest bearing loans & borrowings	15	7,255,000	-	-	-
Employee entitlements	16	140,525	130,801	106,245	104,158
<b>Total non-current liabilities</b>		<b>7,395,525</b>	<b>130,801</b>	<b>106,245</b>	<b>104,158</b>
<b>Total liabilities</b>		<b>18,207,164</b>	<b>20,487,022</b>	<b>6,999,986</b>	<b>8,502,250</b>
<b>Net assets</b>		<b>56,512,345</b>	<b>51,592,955</b>	<b>44,574,018</b>	<b>42,484,269</b>
<b>Equity</b>					
Reserves		877,670	938,131	877,670	938,131
Minority interest (CSJV)		546,736	572,771	-	-
Retained profits		55,087,939	50,082,053	43,696,348	41,546,138
<b>Total equity</b>		<b>56,512,345</b>	<b>51,592,955</b>	<b>44,574,018</b>	<b>42,484,269</b>

The income statements are to be read in conjunction with the notes of the financial statements set out in pages 22 to 42.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	Consolidated		The Club	
		2019	2018	2019	2018
<b>Cash flows from operating activities</b>		\$	\$	\$	\$
Cash receipts in the course of operations		83,883,550	81,755,734	59,420,737	59,311,679
Cash payments in the course of operations		(78,511,556)	(73,254,952)	(59,067,621)	(55,891,804)
<b>Net cash from operating activities</b>		<b>5,371,994</b>	<b>8,500,782</b>	<b>353,116</b>	<b>3,419,875</b>
<b>Cash flows from investing activities</b>					
Interest received	5	544,865	391,146	364,826	283,209
Dividends received	5	320,151	283,353	320,151	283,353
Payments for property, plant & equipment		(2,606,464)	(1,379,182)	(1,669,579)	(798,289)
Deposits paid for gaming entitlements		(383,186)	(447,159)	(127,290)	(127,289)
Distribution from a controlled entity		-	-	365,000	-
Distribution to a minority interest		(135,000)	-	-	-
Transfers relating to KCC capital expenditure		-	-	(611,977)	-
<b>Net cash used in investing activities</b>		<b>(2,259,634)</b>	<b>(1,151,842)</b>	<b>(1,358,869)</b>	<b>(359,016)</b>
<b>Cash flows from financing activities</b>					
Borrowing costs paid		(378,838)	(438,828)	-	-
Repayment of borrowings		(625,000)	(865,000)	-	-
<b>Net cash used in financing activities</b>		<b>(1,003,838)</b>	<b>(1,303,828)</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>2,108,522</b>	<b>6,045,112</b>	<b>(1,005,753)</b>	<b>3,060,859</b>
<b>Cash and cash equivalents at 1 November 2018</b>		<b>25,978,402</b>	<b>19,933,290</b>	<b>16,216,503</b>	<b>13,155,644</b>
<b>Cash and cash equivalents at 31 October 2019</b>	6	<b>28,086,924</b>	<b>25,978,402</b>	<b>15,210,750</b>	<b>16,216,503</b>

The income statements are to be read in conjunction with the notes of the financial statements set out in pages 22 to 42.



# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 1. Reporting entity

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

The financial report was authorised for issue by the Directors on 12 November 2019.

The Club is a not for profit entity.

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

### 2. Basis of preparation

#### (a) Statement of compliance

The consolidated financial report of the Group and the financial report of the Club are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDR's) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

#### (b) Basis of measurement

##### Functional Currency

The financial report is presented in Australian dollars.

The financial statements have been prepared on a historical cost basis unless otherwise stated.

#### (c) Use of estimates and judgements

The preparation of this financial report 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 be different 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. Key estimates and judgements in the context of the preparation of the financial report include the estimation of the fair value and recoverable amount of certain assets, and calculation of provisions.

### 3. Significant accounting policies

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.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

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

#### (a) Basis of Consolidation

##### Subsidiaries

Subsidiaries are entities controlled by the Group, such as CSJV and the Box Hill Hawks Football Club. Control exists where the parent entity is exposed, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. A parent entity has power over the subsidiary, when it has existing rights to direct the relevant activities of the subsidiary. The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. Where the Group's interest is less than 100 per cent, the interest attributable to outside shareholders is reflected in non-controlling interests. The effects of all transactions between entities within the group have been eliminated.

In the Group's financial statements, investments in subsidiaries are carried at cost, unless impaired.

##### Joint arrangements, associates and jointly controlled entities (equity accounted investees)

Joint arrangements exist when two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Associates are entities in which the Group holds significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control. If the Group holds 20 per cent or more of the voting power of an entity, it is presumed that the Group has significant influence, unless it can be clearly demonstrated that this is not the case. Significant influence can also arise when the Group has less than 20 per cent of voting power but it can be demonstrated that the Group has the power to participate in the financial and operating policy decisions of the associate. Investments in associates are accounted for using the equity method as described above.

The Group has no such investments.

#### (b) 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 3(g)).

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 group assumes substantially all the risks and rewards of ownership are classified as finance leases, by comparison to operating 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 3(k).

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

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

#### Subsequent costs

The Group 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 statements of profit or loss and other comprehensive income as an expense as incurred.

#### Depreciation

Depreciation is charged to the statements of profit or loss and other comprehensive income 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:

	2019	2018	Method of depreciation
Buildings	25-40	25-40	Straight line
Building improvements	5-40	5-40	Straight line
Plant and equipment	5-40	5-40	Straight line/Reducing balance
Building leasehold improvements	5-40	5-40	Straight line

#### (c) Intangible assets

##### Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

##### Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

##### Other intangible assets

Other intangible assets that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

##### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit or loss and other comprehensive income as incurred.

##### Amortisation

Amortisation is based on the cost of an asset less its residual value.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

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

#### (c) Intangible assets (continued)

Amortisation is recognised in the statements of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Lease premium	40yrs
Gaming entitlements	10yrs

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### (d) 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 on initial recognition and depreciated over the asset's useful life being 40 years.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

#### (e) 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 FOR THE YEAR ENDED 31 OCTOBER 2019

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

#### (f) Financial Instruments

##### *(i) Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### *(ii) Classification and subsequent measurement of financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through the profit & loss (FVTPL), or fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The group's cash and cash equivalents, trade and most other receivables fall into this category of financial instrument that were previously classified as loans and receivables under AASB 139.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

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

#### *(iii) Classification and measurement of financial liabilities*

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance expenses or finance income.

#### **(g) Impairment**

The Group recognises loss allowances equal to the lifetime expected credit loss (ECL) on financial assets measured at amortised cost. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The carrying amounts of the Club's assets, other than inventories (see accounting policy 3(g)) are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill and intangible assets with an indefinite useful life are tested annually for impairment.

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 statements of profit or loss and other comprehensive income, 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 the statements of profit or loss and other comprehensive income.

Impairment losses recognised in respect of cash generating units (CGU's) are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGU's) on a pro-rata basis.

#### **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 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.

An impairment loss in respect of goodwill is not reversed.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

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

#### (h) Employee Entitlements

##### Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the statements of comprehensive income 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 the high quality corporate bond rate 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 AFL, the Club has no obligation for long service leave in respect of players.

##### 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 group expects to pay including 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 group as the benefits are taken by the employees.

#### (i) Provisions

A provision is recognised in the statement of financial position when the group 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.

#### (j) 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, the sale of merchandise, gate receipts and AFL distributions. Membership, donations, corporate marketing and merchandise income are all recognised as earned, whilst gate receipts and AFL distributions are recognised as received.

##### AFL distribution and prize money

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



# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

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

#### Donations

Donations are recognised at the fair value of the contribution received or receivable.

#### Membership and match day revenue

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

#### Merchandise revenue

Merchandise revenue is recognised as the merchandise is provided to the customer.

#### Marketing revenue

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

#### Accommodation revenue

Accommodation revenue is recognised as it is provided.

#### Gaming, bar and bistro revenue

Sales comprise 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 they are provided.

### (k) Expenses

#### Operating lease payments

Payments made under operating leases are recognised 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.

### (l) 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.

### (m) 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 statement of financial position.

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 FOR THE YEAR ENDED 31 OCTOBER 2019

### **3. Statement of significant accounting policies (continued)**

#### **(n) Segment reporting**

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

#### **(o) Finance revenue and expenses**

Finance revenue comprises interest revenue on funds invested, dividend revenue, gains on the disposal of investments, gains on extinguishment of financial liabilities and changes in the fair value of financial assets. Finance expenses comprise interest expense on borrowings, changes in the fair value of financial assets and impairment losses recognised on financial assets.

#### **(p) Changes in accounting policies**

Except for where identified below, the group has consistently applied its accounting policies for the years presented in these consolidated financial statements.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### (q) New accounting standard adopted

#### AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

The Group has initially applied AASB 9 from 1 November 2018. AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 Financial Instruments: Recognition and Measurement.

#### *Expected Credit Loss (ECL) model*

This new impairment model applies to financial assets measured at amortised cost. For assets in the scope of the AASB 9 impairment model, impairment losses are generally expected to increase and become more volatile. The group has determined that the application of AASB 9's impairment requirements at 1 November 2018 did not have a material impact on the group.

#### *Classification and measurement*

On adoption of AASB 9 the Group classified financial assets and liabilities and subsequently measured at either amortised cost or fair value, depending on the business model for those assets and the contracted cash flow characteristics. The effects resulting from measurements and classification are shown in the below table:

	Original AASB 139 Category	New AASB 9 Category	Consolidated		Club	
			2019	2018	2019	2018
<b>Assets</b>			\$	\$	\$	\$
Cash and cash equivalents	Loans & Receivables	Amortised Cost	28,086,924	25,978,402	15,210,750	16,216,503
Trade & other receivables	Loans & Receivables	Amortised Cost	1,633,000	1,871,149	16,884,516	16,350,714
Investments	Available for sale	Fair Value through Other Comprehensive Income (FVOCI)	4,164,597	3,889,908	4,164,597	3,889,908
<b>Liabilities</b>						
Payables	Loans & Receivables	Amortised Cost	7,202,206	8,527,299	4,239,517	5,394,652
Interest bearing loans & borrowings	Loans & Receivables	Amortised Cost	7,755,000	8,380,000	-	-

Except for the new policies in place arising from adopting the new standard, the Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### (r) New accounting standards and interpretations not yet adopted

#### **AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 118 Revenue, AASB 1004 Contributions and AASB 111 Construction Contracts.

AASB 15 and AASB 1058 are effective for annual reporting periods beginning on or after 1 January 2019 and the Group has not early adopted these standards.

The Group has performed a detailed impact analysis for the adoption of AASB 15 and AASB 1058 and determined the financial statement impact is immaterial.

#### **AASB 16 Leases**

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019 and the Group has not early adopted this standard. The Group expects to apply the modified retrospective transition approach, resulting in no restatement of comparative information. The Group is required to adopt AASB 16 Leases from 1 November 2019. The Group has assessed the estimated impact that initial application of AASB 16 will have on its consolidated financial statements, as described below.

The Group will recognise new assets and liabilities for its operating leases of the WestWaters Hotel & Entertainment Complex and Vegas at Waverley Gardens. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Based on the information currently available, the Group will recognise a right of use asset and a lease liability of approximately \$30m - \$32m as at 1 November 2019.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 4. Revenue

	Consolidated		The Club	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Operating revenue</b>				
AFL distribution and prize money	11,253,144	11,156,622	11,253,144	11,156,622
Membership income	12,266,752	12,253,371	12,259,697	12,247,389
Match day income	6,018,097	5,555,778	5,889,411	5,441,593
Marketing income	16,616,488	15,536,294	16,150,070	15,044,415
Merchandise income	1,374,317	1,840,054	1,370,896	1,837,842
Gaming income	12,149,956	12,058,536	5,722,173	5,870,534
Bar and bistro income	7,787,194	7,590,283	389,373	454,433
Accommodation income	3,728,710	3,808,746	-	-
Donations and special fundraising	559,431	1,115,644	559,431	1,115,644
Consulting Fees	690,333	-	690,333	-
Rental income	717,208	696,929	495,432	477,883
<b>Total operating revenue</b>	<b>73,161,630</b>	<b>71,612,257</b>	<b>54,779,960</b>	<b>53,646,355</b>
Non operating revenue*	3,037,776	2,727,470	-	-
<b>Total revenue</b>	<b>76,199,406</b>	<b>74,339,727</b>	<b>54,779,960</b>	<b>53,646,355</b>
Other income	195,899	205,009	31,538	38,130
<b>Total revenue and other income</b>	<b>76,395,305</b>	<b>74,544,736</b>	<b>54,811,498</b>	<b>53,684,485</b>

\*HFC Foundation (Public Ancillary Fund) received donations of \$3.04m towards the Kennedy Community Centre facility project during the year (2018: \$2.73m).

### 5. Finance income and expense

Interest income on bank deposits	544,865	391,146	364,826	283,209
Dividend income from investments	320,151	283,353	320,151	283,353
<b>Finance Income</b>	<b>865,016</b>	<b>674,499</b>	<b>684,977</b>	<b>566,562</b>
Interest expense	(378,838)	(438,828)	-	-
Finance expense	(378,838)	(438,828)	-	-
<b>Net finance income</b>	<b>486,178</b>	<b>235,671</b>	<b>684,977</b>	<b>566,562</b>

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 6. Cash and cash equivalents

	Consolidated		The Club	
	2019	2018	2019	2018
	\$	\$	\$	\$
Cash on hand	877,023	841,302	355,121	378,510
Cash at bank	4,862,796	4,049,767	1,205,212	1,293,193
Short term deposit	22,347,105	21,087,333	13,650,417	14,544,800
	<u>28,086,924</u>	<u>25,978,402</u>	<u>15,210,750</u>	<u>16,216,503</u>

### 7. Trade and other receivables

#### Current

Trade receivables	1,520,900	1,715,312	1,333,464	1,518,953
Other debtors	112,100	155,837	224,677	119,113
	<u>1,633,000</u>	<u>1,871,149</u>	<u>1,558,141</u>	<u>1,638,066</u>

#### Non Current

Amount receivable from related parties

Loan to subsidiary – CSJV	-	-	2,881,021	3,246,021
Loan to subsidiary – CSFT	-	-	2,870,063	2,870,063
Loan to subsidiary – HFC Land	-	-	9,575,291	8,596,564
	<u>-</u>	<u>-</u>	<u>15,326,375</u>	<u>14,712,648</u>

### 8. Inventory

#### Current

Inventory	946,523	755,044	803,615	622,629
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### 9. Other assets

Prepayments - Current	505,624	728,609	459,411	541,138
Prepayment - Non Current	830,346	447,159	254,579	127,289
	<u>1,335,970</u>	<u>1,175,768</u>	<u>713,990</u>	<u>668,427</u>

### 10. Investments

#### Non-Current

Equity securities/managed funds	4,164,597	3,889,908	4,164,597	3,889,908
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These investments are made up of managed funds with a maturity greater than 3 months and Equities which are invested in line with the Club's investment policy.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 11. Investment Property

	<b>Consolidated</b>	<b>The Club</b>
<b>Cost</b>	<b>\$</b>	<b>\$</b>
Balance at 1 November 2018	4,328,720	4,328,720
Acquisitions	-	-
Disposals	-	-
Balance at 31 October 2019	<u>4,328,720</u>	<u>4,328,720</u>
<b>Depreciation</b>		
Balance at 1 November 2018	(819,834)	(819,834)
Depreciation charge for the year	<u>(74,996)</u>	<u>(74,996)</u>
Balance at 31 October 2019	<u>(894,830)</u>	<u>(894,830)</u>
<b>Carrying amounts</b>		
At 1 November 2018	<u>3,508,886</u>	<u>3,508,886</u>
At 31 October 2019	<u>3,433,890</u>	<u>3,433,890</u>

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property comprises the gymnasium at Waverley Park which is leased to a third party under commercial leasing terms and conditions. Included in investment property is land totalling \$1,100,000 which is not depreciated.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 12. Property, plant and equipment

#### Consolidated reconciliation

	Land buildings & building improvements*	Plant and equipment	Building leasehold improvements	Total
Cost	\$	\$	\$	\$
Balance at 1 November 2018	11,682,424	23,692,112	1,086,033	36,460,569
Acquisitions	1,659,646	946,819	-	2,606,465
Disposals	-	-	-	-
Balance at 31 October 2019	13,342,070	24,638,931	1,086,033	39,067,034
<b>Depreciation</b>				
Balance at 1 November 2018	(818,283)	(13,650,427)	(266,979)	(14,735,689)
Depreciation/amortisation charge for the year	(78,505)	(1,603,128)	(32,143)	(1,713,776)
Disposals	-	-	-	-
Balance at 31 October 2019	(896,788)	(15,253,555)	(299,122)	(16,449,465)
<b>Carrying amounts</b>				
At 1 November 2018	10,864,141	10,041,685	819,054	21,724,880
At 31 October 2019	12,445,282	9,385,376	786,911	22,617,569

#### Club reconciliation

	Land buildings & building improvements*	Plant and equipment	Building leasehold improvements	Total
Cost	\$	\$	\$	\$
Balance at 1 November 2018	3,447,811	15,848,499	754,059	20,050,369
Acquisitions	1,034,593	634,987	-	1,669,580
Disposals	-	-	-	-
Balance at 31 October 2019	4,482,404	16,483,486	754,059	21,719,949
<b>Depreciation</b>				
Balance at 1 November 2018	(818,283)	(9,497,416)	(159,906)	(10,475,605)
Depreciation/amortisation charge for the year	(78,505)	(897,779)	(18,852)	(995,136)
Disposals	-	-	-	-
Balance at 31 October 2019	(896,788)	(10,395,195)	(178,758)	(11,470,741)
<b>Carrying amounts</b>				
At 1 November 2018	2,629,528	6,351,083	594,153	9,574,764
At 31 October 2019	3,585,616	6,088,291	575,301	10,249,208

\* The Waverley Park land, buildings and oval are subject to certain usage and disposal restrictions.



# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 13. Intangible Assets

<b>Consolidated reconciliation</b>	<b>Goodwill</b>	<b>Lease premium</b>	<b>Gaming entitlements</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 November 2018	8,237,046	9,150,000	3,849,046	21,236,092
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 October 2019	8,237,046	9,150,000	3,849,046	21,236,092
<b>Amortisation and impairment</b>				
Balance at 1 November 2018	(4,200,000)	(1,715,627)	(2,144,525)	(8,060,152)
Amortisation charge for the year	-	(228,750)	(446,154)	(674,904)
Balance at 31 October 2019	(4,200,000)	(1,944,377)	(2,590,679)	(8,735,056)
<b>Carrying amounts</b>				
At 1 November 2018	4,037,046	7,434,373	1,704,521	13,175,940
At 31 October 2019	4,037,046	7,205,623	1,258,367	12,501,036

<b>Club reconciliation</b>	<b>Goodwill</b>	<b>Lease premium</b>	<b>Gaming entitlements</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 November 2018	-	-	412,500	412,500
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 October 2019	-	-	412,500	412,500
<b>Amortisation and impairment</b>				
Balance at 1 November 2018	-	-	(257,812)	(257,812)
Amortisation charge for the year	-	-	(41,250)	(41,250)
Balance at 31 October 2019	-	-	(299,062)	(299,062)
<b>Carrying amounts</b>				
At 1 November 2018	-	-	154,688	154,688
At 31 October 2019	-	-	113,438	113,438

#### Lease premium

As part of commercial arrangements in respect to the acquisition of the WestWaters Hotel & Entertainment Complex in 2010, the CSJV entered into an agreement to pay \$9.15m as a lease premium for access to the site. The premium is amortised over the 40 years of the joint venture's rental option period.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 14. Payables

	Consolidated		The Club	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Current</b>				
Trade Payables	1,414,645	2,631,062	812,824	1,822,035
Other creditors and accruals	5,787,561	5,896,237	3,426,693	3,572,617
	<u>7,202,206</u>	<u>8,527,299</u>	<u>4,239,517</u>	<u>5,394,652</u>
<b>Non-current</b>				
Other creditors and accruals	-	-	-	-

### 15. Interest-bearing liabilities

	Consolidated		The Club	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Current</b>				
Bank loan – secured*	500,000	8,380,000	-	-
	<u>500,000</u>	<u>8,380,000</u>	<u>-</u>	<u>-</u>
<b>Non-current</b>				
Bank loan – secured*	7,255,000	-	-	-
	<u>7,255,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### Bank loan

\*In 2014, CSJV Nominees refinanced the existing bank loan and used the funds to extinguish the special rent liability. A general security interest exists over the assets and undertaking of CSJV Nominees Pty Ltd. Interest is charged on these loans at a variable rate. The loan balance at 31st October 2019 totalled \$7.75m. The bank loan matured in February 2019 with management deciding to remain with Bank of Melbourne under a new financing arrangement. The refinanced facility is due to mature at the end of February 2022.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 16. Employee provisions

	Consolidated		The Club	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Current</b>				
Provision for annual leave	1,126,917	1,122,217	869,957	897,326
Provision for long service leave	986,485	941,241	852,039	835,778
	<u>2,113,402</u>	<u>2,063,458</u>	<u>1,721,996</u>	<u>1,733,104</u>
<b>Non-current</b>				
Provision for long service leave	140,525	130,801	106,245	104,158
	<u>140,525</u>	<u>130,801</u>	<u>106,245</u>	<u>104,158</u>

#### Defined contribution superannuation funds

The group makes contributions to a defined contribution superannuation fund. The amount recognised as an expense was Club \$1,822,563 (2018: \$1,753,818) and group \$2,310,635 (2018: \$2,220,154) for the financial year ended 31 October 2019.

### 17. Other liabilities

#### Current

Unearned revenue	996,031	1,385,464	932,228	1,270,336
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The Club has unearned revenue relating to 2020 memberships and prepaid corporate function ticket sales.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 18. Commitments

	Consolidated		The Club	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>(a) Operating lease commitments</b>				
<b>Leases as lessee</b>				
Non-cancellable operating lease rentals are payable:				
Within one year	3,486,967	3,510,295	673,484	766,686
Between one and five years	14,503,904	14,380,008	2,230,181	2,411,107
More than five years	17,150,615	14,952,941	6,771,053	1,218,352
	<u>35,141,486</u>	<u>32,843,244</u>	<u>9,674,718</u>	<u>4,396,145</u>

During the year \$3,591,724 was recognised as an expense in the statements of profit or loss and other comprehensive income in respect of operating leases (2018: \$3,448,536). Long term operating lease commitments relate to retail rental agreements in place for the WestWaters Entertainment Complex and the Waverley Gardens venue.

The Group has long term operating lease commitments within the CSJV in which the Group has a 73% interest relating to a rental agreement commencing in December 2010 at the WestWaters Entertainment Complex. The Group has included the full amount of CSJV's operating lease commitments in the above disclosures.

In 2016 a lease variation was signed in respect to the CSJV accommodation expansion, extending the current lease option to 2027. This officially commenced in July 2017 when the accommodation expansion was complete.

During 2019, the Vegas at Waverley Gardens lease option was extended for a further ten years out to 2035.

The Club has in place bank guarantees of \$500,000 and \$152,477 for the CSJV and Vegas respectively.

### (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 continue to comply with the prescribed AFL's Total Player Payments limits.

### (c) Capital commitments

The Group's capital commitments as at 31 October 2019 were \$10,466,059 (2018: \$10,849,245) which relate to the gaming entitlements to take effect from 2022 to 2032. The group was required to apply and make a second deposit towards the gaming entitlements during the 2019 financial year of \$383,186. This deposit is classified as a prepayment at note 9.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 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. It's the Clubs policy 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.

Further, in 2019 the Club completed the first year of a three year agreement of partnership with Limestone Coast Wines as the Clubs major wine sponsor. Club director Richie Vandenberg is a major shareholder of Limestone Coast Wines and did not participate in any decision making of this arrangement. Details of the related party transaction with Limestone Coast Wines for the year ended 31 October 2019 are as follows:

- Transactions totalling \$172,560
- Outstanding Balances as at 31 October 2019 of \$14,780

#### Key management personnel compensation

The key management personnel compensation included in employee and player expenses is as follows:

	Consolidated		The Club	
	2019	2018	2019	2018
	\$	\$	\$	\$
Salaries and incentives	3,237,453	2,791,151	3,237,453	2,791,151

#### Other related parties

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

The Club has a related party receivable totalling \$2,870,063 (2018: \$2,870,063) with CSFT, a wholly owned subsidiary. The amount is not repayable within twelve months, is non interest bearing and is unsecured.

The Club has a related party receivable totalling \$2,881,021 (2018: \$3,246,021) with CSJV of which it owns a 73% interest. The amount is not repayable within twelve months, is non interest bearing and is unsecured.

The Club also made operating payments totalling \$518,500 (2018: \$502,500) to the BHHFC. These payments have been eliminated in the consolidated financial statements.

The Club has a related party receivable totalling \$9,575,291 (2018: 8,596,564) with HFC Land Trust, a wholly owned subsidiary. The amount is not repayable within twelve months, is non interest bearing and is unsecured.

# HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

### 20. Contributed equity and reserves

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 the outstanding annual membership fee per member in line with section 2a of the Club's constitution.

The fair value reserve comprises the cumulative net change in the fair value of financial assets, until the investments are de-recognised or impaired.

### 21. Group entities

The Club presents consolidated information which comprises the Club, HFC CSFT, BHHFC, HFC Foundation including the Public Ancillary Fund, HFC Land and Sweat Sports.

The Foundation is the trustee of HFC Foundation (Public Ancillary Fund), the trust being established on 10 March 2016.

The Club is the sole unit holder of Sweat Sports Unit Trust. Sweat Sports Pty Ltd is the trustee, which became a subsidiary on 18 December 2018.

The Club is the sole unit holder of HFC Land Trust. HFC Land Pty Ltd is the trustee, which became a subsidiary on 8 May 2016.

The Club is the sole unit holder of CSFT. The CSFT holds the Club's interest in the CSJV, which became a subsidiary on 11 October 2010.

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.

### 22. HFC Foundation

The HFC Foundation actively continued its role of providing the Club with access to income and capital for specific projects which may not be otherwise funded from normal profits or reserves. HFC Foundation Nominees Pty Ltd ("Foundation") acts as nominee for the HFC Foundation and is primarily responsible for its operation and governance. The Club owns all of the shares in Nominees and two of its seven Directors are currently Directors of the Club. The Foundations' 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.

### 23. Subsequent events

No other matters or circumstances have arisen since 31 October 2019 that will significantly affect, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in subsequent years.

### 24. Other information

Registered office:

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

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

**Directors' declaration**

In the opinion of the Directors of Hawthorn Football Club Limited ("the Club") and its controlled entities:

- (a) the Club is not publicly accountable;
- (b) the financial statements and notes, set out on pages 18 to 42, 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 2019 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date;
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and
- (c) 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 12th day of November 2019.

Signed in accordance with a resolution of the Directors:



J G Kennett, President



R J Garvey, Director



# Independent Auditor's Report

To the members of Hawthorn Football Club Limited

## Opinion

We have audited the **Financial Report** of Hawthorn Football Club Limited (the "Club").

In our opinion, the accompanying Financial Report of the Club is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Club's** and the **Group's** financial position as at 31 October 2019 and of their financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statements of financial position as at 31 October 2019;
- Statements of profit or loss and other comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of the Club and the entities it controlled at the year-end or from time to time during the financial year.

## 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 Report* section of our report.

We are independent of the Group and Club in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Other Information

Other Information is financial and non-financial information in Hawthorn Football Club Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.





In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Club'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 Group and Club or to cease operations, or have no realistic alternative but to do so.

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

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

This description forms part of our Auditor's Report.

KPMG

Tony Romeo

Partner

Melbourne

12 November 2019

## Appendix 1

### HFC Foundation Chairperson's Report

I would like to thank everyone who has generously supported the programs and partnerships that were integral to the success of the Hawthorn Football Club Foundation in 2019. The club is all the richer for the significant impact philanthropy has played across the last 12 months.

Since its inception in 2008 the Foundation was established to ensure Hawthorn not only survived - but thrived - well into the future. We have spent the 2019 year realigning our governance, purpose and pillars ensuring that we continue to be guided by our vision to be the leading Australian sporting club in the philanthropic space through the development of a sustainable culture of philanthropy.

Bringing to life a purpose-built elite training, administration and community facility for our club is a significant priority for the Foundation. The Kennedy Community Centre will be the largest project in the club's history and the campaign to raise the funds for the project is, for us, a once-in-a-lifetime opportunity to enshrine and secure our future. We continue to work behind the scenes to deliver success for this project, and I look forward to sharing more about this exciting project with you in the not to distant future.

The Hawthorn Football Club Foundation also plays a key role in building, driving and delivering the club's community programs. The programs and partnerships that sit within the pillars of Mental Health, Indigenous engagement and Social Inclusion all have a robust strategy underpinning objectives, impacts and measurable outcomes for the community. Football is a remarkable vehicle that enables cultural and social change, and the club prides itself on ensuring our community programs and partnerships are relevant and authentic.

I would like to thank the Epic Good Foundation for their outstanding support of our various Indigenous programs over the past five years. I am incredibly proud of the difference we are making together in this space as we aim to Close the Gap in Indigenous health, employment and education by delivering programs that provide opportunity and empower Aboriginal and Torres Strait Islander young people to reach their full potential.

It is with great pride that we announced this year an extension of the current Epic Good partnership for an additional five years, working together with a vision to create sustainable social and cultural change in Indigenous communities nationally. Stuart Giles and Cathie Reid are sincerely thanked for their transformational support.

In 2019 the Foundation raised over \$484,000 of philanthropic support for the club's community programs and we were honoured to welcome a number of new philanthropic partners who demonstrated their commitment to a better community for all.

Thank you to the Phillips, Lyngala and Navarra Care Foundations who all supported programs within our Mental Health pillar. Thank you also to the Australia Foundation for Disability (Afford) who enabled the growth of the club's Social Inclusion programs, specifically supporting our Wheelchair and Blind AFL teams, and also the establishment of a sensory room at our home games at the MCG. We look forward to growing the reach of our Social Inclusion programs in 2020 with the recent grant announcement from the NDIA, ensuring a number of new initiatives will be launched across our organisation in this space.

Importantly, the Foundation is committed to preserving and honouring the past so all Hawthorn supporters and the wider community have the opportunity to understand the role Hawthorn has played in shaping the Australian sporting landscape of the past and today. We are committed to providing the club with a regular and growing income stream through future fundraising initiatives and programs.

Bequests from members of the Hawthorn Family continue to play a critical role in securing the future of our club. This year we welcomed eight new bequestors to the Always Hawthorn Bequest Club, each having the foresight and generosity to invest in making Hawthorn all it can be. This takes the total number of members of Always Hawthorn to 67.

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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 2019. It has been prepared solely for the information of members and report users.

Each year the Foundation hosts donors and their families at an array of functions to thank them for their significant contribution and support. Family is central to all we do as we live and breathe ‘the family club’ motto, striving to bring people together with a shared love of the brown and gold.

Unquestionably People is one of the club’s most important strategic pillars and it drives our Foundation and its mission. Thank you so much to the people who give their time, advice and support without question to ensure the Hawthorn Football Club Foundation has every chance to thrive. To our patron, Ian Dicker, Foundation Ambassadors Graham Arthur, David Parkin, Peter Hudson, Peter Knights, Sam Mitchell and Liam Shiels, I thank you for your on-going passion and loyalty to the Hawks.

On behalf of the club, I would like to thank the Foundation Board who work alongside me and the Foundation team in bringing the projects, programs and partnerships to life; fellow HFC Director Richard Garvey, Geraldine Farrell, Brad Harris, Maria Lui, Scott Patterson and Chris Voight. Maria Lui is particularly thanked for her efforts in assisting with the recent securement of DGR1 status for Hawks Community Foundation.

On behalf of the Hawthorn Football Club Board, I would like to thank our newly formed Capital Campaign Committee who bring a wealth of knowledge, expertise and their networks to assist in delivering the Kennedy Community Centre project. Fundraising is the ultimate team sport and the delivery of this transformational project wouldn’t be possible without the support of fellow HFC Director Radek Sali and committee members Jennifer Dicker, Mark Hawthorne, Peter Hudson, Chris Karagounis, Peter Knights, Sam Mitchell, Martin Ralston and Scott Patterson.

This report simply wouldn’t be complete without acknowledging the outstanding work of our Foundation team, so capably and admirably led by Kerrie Brewer. Kerrie walks the talk when it comes to driving our club forward and, through her genuine relationships with members of the Hawthorn Family, is instrumental to the success of the Foundation and all it hopes to achieve. Shaun Spence joined the team last year and has handled the code swap from NRL to AFL with aplomb and has particularly made a significant impact with the delivery of our community programs. Carlie Saunders is a new addition to the team this year and has settled in well to her role of Foundation Coordinator. Mike Warren is thanked for the outstanding contribution he has made overseeing the Always Hawthorn Bequest Club for the past six years and, on behalf of everyone associated with the Club, I wish him all the best as he confronts the challenges that lie ahead of him.

And lastly, but most importantly, I thank you. Thank you for investing in your club and, in so doing, for so tangibly demonstrating your loyalty and commitment to it.

Together we can achieve an even brighter future for the Hawthorn Football Club and the communities we support.

Our Club. One for All. Always.



T Shearer

**Director - Hawthorn Football Club**

**Chairperson – Hawthorn Football Club Foundation**

**Chairperson – Kennedy Community Centre Capital Campaign Committee**

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