ANNUAL FINANCIAL REPORT

HAWTHORN FOOTBALL CLUB LIMITED

YEAR ENDING 31 OCTOBER 2017

ACN 005 068 851

HAWTHORN FOOTBALL CLUB LIMITED
AND ITS CONTROLLED ENTITIES
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ANNUAL REPORT
FOR THE YEAR ENDED
31 OCTOBER 2017

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 2017

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 2017 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)*	R J Garvey (former President)**	L J Kristjanson AO (Vice-President)
A D W Gowers	A H Kaye AM	P W Nankivell
L J Nolan	B A Stevenson***	R P Vandenberg

* Appointed to the board 9 October 2017, replaced R Garvey as President

** Reappointed to the board 9 October 2017

*** Retired from the board 27 September 2017

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. 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") and HFC Land Pty Ltd ("HFC Land") as trustee of the HFC Land 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 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.

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.

Operating and financial review

The Club is delighted to announce a net operating profit for the year ended 31 October 2017 of $2,107,556 (Club 2016: $2,573,491).

The consolidated net profit attributable to the members of the Group for the year ended 31 October 2017 is $4,763,638 (Consolidated 2016: $4,523,369).

Short and long term objectives of the Club

The Club delivered on the vast majority of its short and long term objectives as identified in the Club's 5 year business plan, "All for One", which ends in 2017. This business plan was released in February 2013, with the vision to become the Destination Club of the AFL, where committed people are developed through the strength of the Hawthorn Culture to deliver and celebrate exceptional performance. The Club's board and executive team has spent the last nine months developing Hawthorn's next strategic plan which will be launched at the AGM in December.

Performance Management

In the current strategic plan the Club measured its performance across 6 key strategic pillars, namely; Football Operations, Financial Management, Fan and Community Engagement, Commercial Operations, People and Facilities and Infrastructure.

The Club has achieved a substantial portion of the ambitious objectives set out in the 'All for One' strategic plan. Hawthorn has achieved unprecedented success both on and off the field, and is proud of its efforts. The Club has continued to achieve strong commercial growth and Hawthorn's commitment to developing its people has seen many of them progress to senior roles both within and outside the organisation. While the Club fell just short of its lofty target of 80,000 members, it has achieved consecutive record breaking membership figures in each year of the current plan.

The Club's new strategic plan will set ambitious targets in commercial growth and innovation, sustained premiership success, deliver a new elite training and administration facility, whilst underpinned by good governance.

Hawthorn is well placed and ready to embrace the challenges that lie ahead. With a new president and new CEO, the Club looks forward to setting higher aspirational goals in its soon to be launched strategic plan.

Board of Directors and CEO

On 9 October 2017 the Board welcomed back Jeff Kennett as President after Richard Garvey made the decision to stand down from the role (but agreed to remain as a director). On behalf of all members the Board extends our sincere thanks to life member Bruce Stevenson who retired as a director on 27 September 2017. After commencing as CEO in May, Tracey Gaudry concluded her service with the Club on 2 October 2017 electing to stand down for family and personal circumstances.

Operating and financial review (continued)

AFL Funding

The current AFL funding model is needs based and has considerable regard to the relative financial strength of each club. As a result of our continued strong financial performance Hawthorn is now in the bottom quartile for AFL distributions. The Club is carefully looking for new commercial opportunities to augment our current revenues as we look to deliver our future planned home at Dingley.

Football

Season 2017 was not the season we had hoped for, with the Hawks failing to finish in the top eight for the first time in eight years.

The side dropped the opening four games of the season before turning a corner after the bye recording wins against premiership contenders Adelaide Crows and Sydney Swans, as well as drawing with GWS Giants.

2017 was a success by other measures. Five players made their AFL debut while four players pulled on the brown and gold for the first time.

Fans were also given a taste of what the new generation Hawthorn will look like in years to come, with James Sicily, Tim O'Brien, Kaiden Brand, Blake Hardwick, Ryan Burton and Daniel Howe all cementing spots in the senior line-up.

The Club also celebrated some of our most decorated servants with milestones and retirements. Luke Hodge celebrated his 300th game in Round 17 against Geelong and announced his retirement that same week. Josh Gibson also hung up the boots after 225 games. Paul Puopolo, Isaac Smith, Liam Shiels and Luke Breust all celebrated their 150 games milestone, while Taylor Duryea and Brendan Whitecross notched their 100th AFL game.

A highlight of the season was the form of new recruit, Tom Mitchell, who had a career-best season in 2017.

Rewarded with his first selection into an All Australian side (the only Hawk to receive this honour in 2017), Mitchell led the competition for total disposals, creating a new home and away season record of 787 possessions.

Mitchell also posted career-high statistics in virtually every category and registered a top three finish in the 2017 Brownlow Medal.

Throughout the season, the Club extended the contracts of several players including Shaun Burgoyne, Luke Breust, Ryan Burton, Blake Hardwick, Conor Glass, James Cousins, Ben McEvoy, James Sicily and Tim O'Brien.

The Club and the whole competition, welcomed the return of Captain Jarryd Roughead.

Operating and financial review (continued)

Football (continued)

Roughead returned to the field in Round 1 for the first time since his cancer diagnosis, less than twelve months earlier. The skipper went on to play all 22 games in season 2017, with the highlight being his match winning goal in Hawthorn's nail-biting win over the Swans at the SCG.

Unfortunately the Club was hit hard on the injury front in 2017, with Cyril Rioli, Ben Stratton, James Frawley, Grant Birchall, Jaeger O'Meara and Josh Gibson all sidelined for the majority of the season. The silver-lining being the performances of the Hawks' young brigade who in the wake of these injuries were given the opportunity to perform at AFL level.

The 2017 AFL Trade period was a relatively quiet one for the Hawks compared to 2016. The Club acquired the services of Jarman Impey, a speedy swingman, who joined the club from Port Adelaide.

Luke Hodge also officially joined the Brisbane Lions, following his decision to play on in 2018, after announcing his retirement in Round 17 this year.

The Club farewelled Billy Hartung and Kade Stewart, both of whom were delisted by the Club. The Club thanks both players for their commitment and contribution to the Club. Dallas Willsmore was also delisted, however the Club plans to redraft him at the Rookie Draft later this year.

2017 was an historic year for both the Box Hill and Hawthorn Football Clubs with their first foray into women's football. Commencing in November 2016 with a dedicated coach and committed players, what the Box Hill VFLW side were able to achieve in such a short space of time was quite remarkable.

The women finished the season on three wins and 11 losses, but the manner in which the players competed made all at the club very proud. Their last six games saw the women go three wins and three narrow losses. In these six games Box Hill VFLW faced 2nd placed and grand finalists Diamond Creek, third placed Melbourne University and the much-improved Geelong.

It was a fantastic effort considering the high-profile squads other teams had at their disposal. In fact, the Box Hill VFLW squad contained just one current AFLW player while their opponents on average contained between eight and 12 of the game's best players. The Club is excited to see what the women can achieve in 2018.

The Box Hill VFL side had a fantastic 2017 season, led by new coach Chris Newman who was awarded VFL 'Coach of the Year'. Unfortunately, the side fell just one step shy of a grand final berth, bowing out against Richmond in the preliminary final.

With Hawthorn hampered with injuries for a large part of the season, many opportunities were presented to the Hawks' younger players, which they all grasped with both hands. Harry Morrison, Conor Glass, Dallas Willsmore, James Cousins and Teia Miles will all be better for the opportunities throughout the season.

Operating and financial review (continued)

AFLW

The Club was extremely disappointed to learn it was unsuccessful in obtaining an AFLW licence for the 2019 and 2020 seasons.

Hawthorn presented a strong case to the AFL that highlighted the Club's solid talent pathways, financial strength and ability to contribute to the growth of the game.

The Club will work with the AFL to ensure it satisfies all AFLW licence entry criteria to field a team in the 2021 AFLW competition, if not earlier.

Hawthorn's commitment, dedication and desire to see women wearing the brown and gold in the AFLW has not wavered.

The Club will continue to develop its existing female talent pathways and grow female participation in women's football.

Tasmania

In the first year of its third five-year partnership, Hawthorn's relationship with Tasmania has reached a new level of maturity and mutual awareness. The Club's efforts to participate in a range of Government programs that seek to address critical social and cultural challenges have been well received at state, regional and local levels.

After 16 years of operation in Tasmania our relationship has never had more depth or meaning. Our home games in Launceston shine a light on the unique cultural flavours of Tasmania to a valuable local and broadcast audience, and our partnership with TasTafe ensures that game days not only deliver a quality spectacle, but are also mechanisms for education and professional development for tourism and events students. Further, our efforts at helping the government address issues of literacy, health, nutrition and social inclusion have been lauded state-wide.

In the Club's first year of its partnership with Premier's Reading Challenge, registrations, completion rates, book reviews and rates of engagement with boys have all grown, such is the power of Hawthorn's brand to connect with Tasmanian children. The Club's signature school program, Looking After ME, is already in one third of Tasmanian primary schools state-wide, and the Club continues to re-invest in grass roots sport across both male and female participation.

Facilities

In 2017 Hawthorn purchased a 28-hectare site in Dingley which the Club hopes will be its home for the next 100+ years.

The $7.75 million land purchase was majority funded by the Hawthorn Football Club Foundation, and the Club is forever grateful to all those donors who have given so generously to ensure the Club is future proofed, always.

Operating and financial review (continued)

Facilities (continued)

The purchase of the Dingley site was a significant investment for the Club and a key step forward in Hawthorn's vision to be the ultimate destination Club.

The Club's vision is that the site will house a new world-class training and administration centre that is Hawthorn's to own. It will provide cutting edge training, sports science and football facilities and will cement Hawthorn Football Club at the forefront of elite sporting innovation.

The 28-hectare site also provides an extraordinary opportunity to build a facility that will open its doors and offer a unique, diverse hub for all members of the Hawthorn family and wider community.

It is a grand plan that will bring the Club and the community even closer together and empower Hawthorn to develop greater opportunities that embrace integration, inclusion, diversity and expansion.

The Club is currently in the process of securing funding to support the project.

The Board and Club is realistic about the financial challenges that will need to be overcome before its vision of a world-class facility becomes a reality, and as such Hawthorn have taken a long-term view.

This is the largest project of its kind in the Club's history and Hawthorn envisage it will take at least five years to deliver.

Commercial Ventures / Investments

Hawthorn Football Clubs' commercial investments completed another strong year in 2017. WestWaters Hotel and Entertainment Complex maintained its status as a premier entertainment venue in the western suburbs, whilst adding a further 40 Mercure-branded hotel rooms to its offering. The complex now boasts 98 Mercure branded hotel rooms, premium function and conferencing facilities, a sports bar, café and bistro.

Vegas at Waverley Gardens completed its' 21st year of trade in 2017. Following a successful change in management structure in December 2016, the venue has performed well and remains an important investment for the Club and contributor to the local community.

Sponsorship

In 2017 the Club's major partnerships continued with the Tasmanian Government, iiNet, Audi and adidas. adidas have extended their partnership with the Club for another five years.

The Club looks forward to continuing these strong and rewarding relationships with these and its other commercial partners over the years ahead.

Operating and financial review (continued)

Corporate Sales and Fundraising

Despite being faced with challenging market conditions in 2017, the Club's corporate sales team performed strongly across the calendar year. This was assisted by a healthy start to the financial year, with record sales across our Melbourne Cup Carnival and Australian Grand Prix hospitality offerings. The Club's Tasmanian hospitality initiatives also performed strongly. HFC Corporate Hospitality continues to offer a diverse portfolio of products including; Grand Slam Tennis, Australian Grand Prix, International Cricket, State-of-Origin Rugby League, Spring Racing Carnival and major international concerts via www.hfccorporatehospitality.com.au.

Membership and Merchandise

Hawthorn Football Club has broken its all-time membership record for the 11th consecutive year, surpassing the 75,000 mark for the second time in the Clubs history. This season's final membership tally finished at 75,663 (2016: 75,351) and includes 78.4% of members on the annual roll-over payment plan HawksDirect (ranked #1 in the AFL industry). The Club placed second on the AFL membership ladder behind Collingwood. Hawthorn's Tasmanian membership base broke the 9,500 barrier for the first time, with 9,550 members joining in 2017.

The merchandise department recorded a solid result in 2017 with gross revenues exceeding $1.8m with an impressive gross profit margin of 43%. The Club's apparel sponsorship with adidas remains central to our program and underpins close to 75% of our annual apparel total sales. Hawthorn's ever-expanding online business contributed over 50% of sales.

Match Day Attendances

The Club recorded an average attendance of 44,719 across 7 Melbourne home games in 2017 (2016: 49,666). Season highlights included the Round 4 Easter Monday fixture against traditional rival Geelong (62,360) and the Round 23 fixture against the Western Bulldogs at Etihad which was Luke Hodge's farewell game and drew a crowd of 48,090. The average attendance across 4 home games in Tasmania was 13,197.

Foundation

The Hawthorn Football Club Foundation plays a vital role in supporting the Club whilst it builds towards a prosperous future. Dedicated to ensuring it has every opportunity to perform at its peak and become a benchmark for excellence, unity and success.

Operating and financial review (continued)

Foundation (continued)

The Foundation is also committed to supporting the Club's community engagement programs to inspire and educate; integrate and engage; mentor, lead and support the community to ensure a better outcome not just for Hawthorn supporters, but for everyone.

In 2017, the Foundation received donations totalling $2,649,159 and generated $53,402 in investment earnings. These contributions have assisted in increasing the funds of the Foundation to $4,688,572.

The Always Hawthorn Bequest Club had another strong year with 52 confirmed bequestors. These people/families have committed to leaving a bequest and ensuring the Club remains financially viable for the long-term.

The 2017 year heralded a significant year for the Foundation. The purchase of land at Dingley was funded by the Foundation and the Club is extremely proud that this land was purchased by Hawthorn families, ultimately, for Hawthorn families. Hawthorn has always been, and will always be about its people.

Community

The Club recognises its social responsibility to engage in community activities and to this end is involved in a variety of activities throughout Australia, in particular Melbourne, Tasmania and the Northern Territory.

Hawthorn's Indigenous Program continues to benefit from Epic Good Foundation's philanthropic donation of $1m over 5 years, boosting existing programs and generating additional support for community partners such as ILF (Indigenous Literacy Foundation). Key highlights include the 3rd annual Big River Hawks Cultural Trip to Melbourne and a new partnership with the 'Lady Eaglehawks' – an under 16 team competing in the Eastern Regions Girls Football League based at Worawa Aboriginal College in Healesville, Victoria.

Hawthorn Football Club extended its Mental Health Program in 2017, announcing a new partnership with not-for-profit organisation Love Me Love You. With former Hawks player Lance Picioane as its founder and CEO, Love Me Love You strives to empower young adults to help overcome the stigma surrounding mental health and other life hardships. Following this announcement, Cyril Rioli and Taylor Duryea were appointed as the Club's Mental Health Program ambassadors. The 2017 beyondblue Cup was again played against Sydney which saw pre-game entertainment provided by renowned Australian dancer, choreographer and producer Jason Coleman to assist in promoting the Club message 'Talking about mental health is the game changer'.

Hawthorn's major community schools program, Looking After ME, maintained its reach to the Eastern Suburbs of Melbourne operating in 33 schools. Looking After ME draws on the knowledge of experts from Deakin University and beyondblue in the nutrition and mental health field, allowing Hawthorn to develop a program containing relevant and suitable information and activities for students aged 8-10 years old.

Operating and financial review (continued)

Community (continued)

In 2017 the Club increased its energy and drive across Tasmania through meaningful, measurable and highly valued engagement with diverse segments of the Tasmanian community. The launch of the Tasmanian version of Looking After ME has reached a third of all schools in its first year, delivering critical health and wellbeing messages to a state with significant nutrition and obesity challenges. Over 20 charitable and community organisations were directly supported by Hawthorn's Tasmanian operation and over $60,000 was invested back into the state in support of programs and associations that encourage participation in sport and through pursuit of active healthy lives. A new partnership with the Premier's Reading Challenge realised a welcome growth in all areas of measurement, and innovative initiatives delivered with TasTafe, the Beacon Foundation and the University of Tasmania are designed to leverage the Club's strong community profile to encourage continuing education and pathways to future employment.

Perhaps Hawthorn's most meaningful contribution to Tasmania in 2017 was through its Community Camp, which saw the entire playing group undertake over 50 appearances at charitable associations, community events and school class rooms across the state over a 3 day period. Central to the camp's success were sports gala days in Launceston and Hobart conducted in partnership with AFL Tasmania and a number of local sporting clubs and which welcomed over 800 boys and girls to the two events.

Hawks Museum

The Hawks Museum had another very successful year attracting over 4,250 visitors. The major achievements for 2017 include finalising a valuation of the Club Collection with over 11,075 items held, completing the Re-Accreditation Program of the museum with Museums Australia and assembling photos of the 917 players who have played at least one senior game. Fifteen new members joined the 'Glenferrie Gold' Patrons Life Patrons which now totals 130. Our 'Friends of the Hawks Museum' now totals in excess of 700.

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 Club, other than those disclosed in this report.

Environmental regulation

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.

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

Operating and financial review (continued)

Events subsequent to Balance Date

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

Indemnification and insurance of Officers and Auditors

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

The 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 2017

Name	Qualifications / Club Portfolio	Experience	Date Appointed/ Resigned
Directors:			
J G Kennett AC (President Since 9 October '17)	Chairperson of the Board	Premier of Victoria 1992-1999 Chairman / Director of various Private and Public companies	9 October 2017 (Appointed)
R J Garvey (Former President)	Chairperson of the CSJV, Member of FRMC, Member of the Training and Administration Facility Committee, Bachelor of Commerce, FCA, MBA	Chartered Accountant, Company Director / Consultant	18 October 2010
L J Kristjanson AO (Vice-President)	Chairperson of the Training and Administration Facility Committee, BN, MN, PhD, FAICD, FTSE	Vice-Chancellor and President of Swinburne University	21 March 2014
A D W Gowers	Chairperson of the Football Sub-Committee, BBus(Marketing), DFS(Financial Planning)	1991 HFC premiership player, 140 AFL games, Succession & Financial Consultant	17 April 2014
A H Kaye AM	Member of Integrity and Compliance Committee, MB, BS, MD, FRACS	Neurosurgeon Professor of Surgery Head, Dept of Surgery The University of Melbourne Director, Dept of Neurosurgery The Royal Melbourne Hospital	21 February 2011
P W Nankivell	Chairperson of FRMC, Member of the Training and Administration Facility Committee, Member of the CSJV, Bachelor of Commerce, Bachelor of Laws, Masters of Law	Lawyer – Consultant Thomson Geer, Company Director	11 December 2014
L J Nolan	Chairperson of Integrity and Compliance Committee, Bachelor of Arts (Honours), Master of Arts, Graduate Diploma (Public Sector Management)	Company Director	21 September 2016

Information on Directors / Company Secretary (continued)

Name	Qualifications / Club Portfolio	Experience	Date Appointed / Resigned
B A Stevenson	Former Chairperson of HFC Foundation	Motor Vehicle dealer, Company Director, 1971 HFC premiership player 72 AFL games	27 September 2017 (Resigned)
R P Vandenberg	Member of the CSJV, Bachelor of Business	HFC Past Player, 145 AFL games Captain HFC 2005-07 Company Director / CEO	21 September 2016
Company Secretary:			
T Silvers	Member of FRMC, Member of the CSJV, Member of the Training and Administration Facility Committee, Member of Integrity and Compliance Committee, Bachelor of Commerce, Grad Dip (Acc), CPA	13 seasons of AFL industry experience, Director BHHFC	19 October 2011

Operating and financial review (continued)

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

	Directors' meetings	
Name of Director	**A**	**B**
J G Kennett (President)	2	2
R J Garvey (Former President)	14	14
L J Kristjanson (Vice President)	14	14
A D W Gowers	14	14
A H Kaye	14	13
P W Nankivell	14	14
L J Nolan	14	13
B A Stevenson	11	10
R P Vandenberg	14	13

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

B Number of meetings attended

Governance

Finance and Risk Management Committee

The Club's Finance and Risk Management Committee comprises: P Nankivell (Chair), R Garvey (Director), T Silvers, J Lyford, A Singh, H Hogan (Executives) and Ed Sill (Independent member) 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

The Club's Integrity and Compliance Committee comprises: L Nolan (Chair), A Kaye (Director), T Silvers, J Burt (Executives), B Buick (Independent member) which meets bi-monthly and is primarily responsible for reviewing the integrity and compliance regulatory requirements across the Club.

Caroline Springs Joint Venture

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

Training and Administration Facility Development Project Steering Committee

The Club's Training and Administration Facility Development Project Steering Committee comprises: L Kristjanson (Chair), R Garvey, P Nankivell (Directors), T Silvers, B Boger, T Gallina and K Brewer (Executives) 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, and then providing recommendations to the board.

Operating and financial review (continued)

Other

The Club has a Nominations & Remuneration Committee and a committee which is responsible for Football. Individual Club directors chair meetings of these committees. The Club is represented on the board of the HFC Foundation.

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 2017.

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

J G Kennett, President
Dated at Melbourne 17 November 2017

P W Nankivell, Director

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 2017 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

BW Szentirmay

KPMG

Partner

HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2017

		Consolidated		The Club	
	Note	2017	2016	2017	2016
Continuing operations					
Revenue	4	70,742,464	69,779,234	52,131,775	52,886,071
Cost of sales		(3,106,135)	(4,151,553)	(1,219,538)	(2,231,790)
Gross Profit		67,636,329	65,627,681	50,912,237	50,654,281
Other Income	4	267,261	248,999	87,465	54,759
Sponsorship, membership & fundraising expenses		(9,852,324)	(10,494,113)	(9,641,703)	(10,303,139)
Employee and player expenses		(34,488,106)	(32,467,052)	(28,721,214)	(27,007,462)
Marketing expenses		(1,573,512)	(1,826,510)	(942,427)	(1,172,876)
Depreciation & amortisation		(2,405,005)	(2,441,429)	(1,106,736)	(1,277,929)
Venue management fees		(454,472)	(800,000)	(54,051)	(425,000)
Other football operations expenses		(2,960,708)	(2,774,385)	(3,310,217)	(3,010,226)
Other expenses in respect to ordinary activities		(11,366,633)	(10,326,151)	(5,517,113)	(5,119,278)
Facility due diligence expenses		-	(541,119)	-	(541,119)
		(62,833,499)	(61,421,760)	(49,205,996)	(48,802,270)
Results from operating activities		4,802,830	4,205,921	1,706,241	1,852,011
Finance income	5	458,628	784,393	401,315	721,480
Finance expenses	5	(466,213)	(507,556)	-	-
Net finance income		(7,585)	276,837	401,315	721,480
Profit before income tax		4,795,245	4,482,758	2,107,556	2,573,491
Income tax expense	3(p)	-	-	-	-
Net profit for the year		**4,795,245**	**4,482,758**	**2,107,556**	**2,573,491**
Other comprehensive income					
Items that are or may be reclassified subsequently to the profit or loss					
Net change in fair value of available for sale investments		137,883	137,455	137,883	137,455
Total other comprehensive income for the year		137,883	137,455	137,883	137,455
Total comprehensive income for the year		4,933,128	4,620,213	2,245,439	2,710,946
Total profit attributable to:					
Members of Hawthorn Football Club		4,763,638	4,523,369	-	-
Minority Interests		31,607	(40,611)	-	-
		4,795,245	4,482,758	-	-
Total comprehensive income attributable to:					
Members of Hawthorn Football Club		4,901,521	4,660,824	-	-
Minority Interests		31,607	(40,611)	-	-
		4,933,128	4,620,213	-	-

The income statements are to be read in conjunction with the notes of the financial statements set out in pages 22 to 40.

HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2017

Consolidated	Minority Interest	Retained earnings	Fair Value reserve	Total members' equity
	$	$	$	$
Opening balance 1 November 2015	345,435	36,169,008	329,598	36,844,041
Total comprehensive income for the year				
Total other comprehensive income	-	-	137,455	137,455
Profit for the period	(40,611)	4,523,369	-	4,482,758
Total comprehensive income for the year	304,824	40,692,377	467,053	4,482,758
Minority Equity Contribution	135,000	-	-	135,000
Closing balance at 31 October 2016	439,824	40,692,377	467,053	41,599,254
Opening balance at 1 November 2016	439,824	40,692,377	467,053	41,599,254
Total comprehensive income for the year				
Fair value movement of available for sale financial assets	-	-	137,883	137,883
Profit for the period	31,607	4,763,638	-	4,795,245
Minority Equity Contribution	-	-	-	-
Total comprehensive income for the year	31,607	4,763,638	-	4,795,245
Closing balance at 31 October 2017	471,431	45,456,015	604,936	46,532,382

Club	Minority Interest	Retained earnings	Fair Value reserve	Total members' equity
	$	$	$	$
Opening balance 1 November 2015	-	34,853,728	329,598	35,183,326
Total comprehensive income for the year				
Total other comprehensive income	-	-	137,455	137,455
Profit for the period	-	2,573,491	-	2,573,491
Total comprehensive income for the year	-	2,573,491	137,455	2,710,946
Closing balance at 31 October 2016	-	37,427,219	467,053	37,894,272
Opening balance at 1 November 2016	-	37,427,219	467,053	37,894,272
Total comprehensive income for the year				
Fair value movement of available for sale financial assets	-	-	137,883	137,883
Profit for the period	-	2,107,556	-	2,107,556
Total comprehensive income for the year	-	2,107,556	137,883	2,245,439
Closing balance at 31 October 2017	-	39,534,775	604,936	40,139,711

The statements of changes in equity are to be read in conjunction with the notes of the financial statements set out on pages 22 to 40.

HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

STATEMENTS OF FINANCIAL POSITION FOR THE YEAR ENDED 31 OCTOBER 2017

		Consolidated		The Club	
	Note	2017	2016	2017	2016
Current Assets		$	$	$	$
Cash and cash equivalents	6	19,933,290	18,521,795	13,155,644	14,636,668
Trade & other receivables	7	1,798,613	1,726,019	1,592,446	1,593,532
Inventory	8	838,535	843,622	711,634	734,680
Other	10	755,532	918,530	502,090	670,271
Total current assets		**23,325,970**	**22,009,966**	**15,961,814**	**17,635,151**
Non Current Assets					
Investments	9	3,656,845	8,341,622	3,255,075	8,341,622
Investment property	11	3,583,882	3,658,878	3,583,882	3,658,878
Property, plant & equipment	12	22,013,182	13,899,017	9,736,899	10,177,417
Intangible assets	13	13,850,844	14,504,634	195,938	216,074
Trade & other receivables	7	-	-	14,302,632	6,116,084
Total non-current assets		**43,104,753**	**40,404,151**	**31,074,426**	**28,510,075**
Total assets		**66,430,723**	**62,414,117**	**47,036,240**	**46,145,226**
Current Liabilities					
Payables	14	6,956,767	7,846,758	3,800,467	5,158,810
Interest bearing loans & borrowings	15	1,000,000	1,096,389	-	-
Employee entitlements	16	1,696,913	1,845,983	1,410,560	1,630,605
Other liabilities	17	1,656,405	1,505,523	1,574,701	1,384,139
Total current liabilities		**11,310,085**	**12,294,653**	**6,785,728**	**8,173,554**
Non Current Liabilities					
Payables	14	205,056	404,833	-	-
Interest bearing loans & borrowings	15	8,245,000	7,995,000	-	-
Employee entitlements	16	138,200	120,377	110,801	77,400
Total non-current liabilities		**8,588,256**	**8,520,210**	**110,801**	**77,400**
Total liabilities		**19,898,341**	**20,814,863**	**6,896,529**	**8,250,954**
Net assets		**46,532,382**	**41,599,254**	**40,139,711**	**37,894,272**
Members' Equity					
Reserves		604,936	467,053	604,936	467,053
Minority interest (CSJV)		471,431	439,824	-	-
Retained profits		45,456,015	40,692,377	39,534,775	37,427,219
Total members' equity		**46,532,382**	**41,599,254**	**40,139,711**	**37,894,272**

The statements of financial position is to be read in conjunction with the notes to the financial statements set out on pages 22 to 40.

HAWTHORN FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2017

	Note	Consolidated 2017 $	Consolidated 2016 $	The Club 2017 $	The Club 2016 $
Cash flows from operating activities					
Cash receipts in the course of operations		78,188,985	76,207,285	57,632,814	59,284,566
Cash payments in the course of operations		(67,161,886)	(69,282,789)	(56,257,180)	(56,121,248)
Net cash from operating activities		**11,027,099**	**6,924,496**	**1,375,634**	**3,163,318**
Cash flows from investing activities					
Interest received	5	393,704	260,915	336,390	241,328
Dividends received	5	181,283	468,124	181,283	468,124
Payments for property, plant & equipment		(9,877,990)	(1,750,354)	(658,692)	(942,248)
Payments for intangible assets		-	(1,732,170)	-	(124,220)
Investment in a controlled entity		-	-	-	(335,000)
Investment from a minority interest		-	165,000	-	-
Transfer to Inter Company entity		-	-	(8,940,676)	-
Liquidation of managed funds		-	-	6,225,037	-
Transfer to equity investments/managed funds		-	(500,000)	-	(500,000)
Proceeds from disposal of property, plant & equipment		-	427,745	-	8,863
Net cash used in investing activities		**(9,303,003)**	**(2,660,740)**	**(2,856,658)**	**(1,183,153)**
Cash flows from financing activities					
Borrowing costs paid		(466,213)	(507,556)	-	-
Proceeds from borrowings		500,000	785,000	-	-
Repayment of borrowings		(346,388)	(651,232)	-	-
Net cash used in financing activities		**(312,601)**	**(373,788)**	**-**	**-**
Net increase/(decrease) in cash & cash equivalents		**1,411,495**	**3,889,968**	**(1,481,024)**	**1,980,165**
Cash and cash equivalents at 1 November 2016		**18,521,795**	**14,631,827**	**14,636,668**	**12,656,503**
Cash and cash equivalents at 31 October 2017	6	**19,933,290**	**18,521,795**	**13,155,644**	**14,636,668**

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 22 to 40.

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 17 November 2017.

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.

It is prepared on the historical cost basis, except for financial instruments that are available for sale which are stated at fair value.

(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.

3 Significant accounting polices

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. 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. 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 either 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 Club'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 Club 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(i)).

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

Leased Assets

Leases in terms of which the Club assumes substantially all the risks and rewards of ownership are classified as finance leases, 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(o)).

3. Statement of significant accounting policies (continued)

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

	2017	2016	Method of depreciation
Buildings	25-40	25-40	Straight line
Building improvements	5-40	5-40	Straight line
Plant and equipment	5-40	3-20	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.

3. Statement of significant accounting policies (continued)

Amortisation is recognised in 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.

The CSJV Nominees purchased a further 10 gaming entitlements in 2016, and whilst the entitlements have an overall useful life of 10 years, will be amortised over the 7 years the venture holds them.

(d) Investments

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

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

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

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

(e) 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.

(f) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses (see accounting policy 3(i)).

3. Statement of significant accounting policies (continued)

(g) 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.

(h) Cash

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

(i) Impairment

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 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.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is then objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is then recognised in the statements of comprehensive income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statements of comprehensive income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statements of comprehensive income. Fair value less costs to sell is calculated using independent valuations.

Calculation of impairment loss

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

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

3. Statement of significant accounting policies (continued)

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. As the Club is a not for profit entity, value in use is determined with reference to the depreciated replacement cost of the asset, unless the asset generates independent cash flows in which case value in use is determined with reference to discounted future cash flows.

Reversals of impairment

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

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

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

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.

(j) Interest-bearing borrowings

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

(k) 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.

3. Statement of significant accounting policies (continued)

Liabilities for wages, salaries and annual leave

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

(l) Provisions

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

(m) Trade and other payables

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

(n) 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.

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.

3. Statement of significant accounting policies (continued)

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.

(o) 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.

(p) 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.

(q) Goods and services tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), expect 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.

(r) Segment reporting
The Club operates solely as a constituent member of the Australian Football League.

(s) Finance revenue and expenses
Finance revenue comprises interest revenue on funds invested, dividend revenue, gains on the disposal of available-for-sale financial assets, 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.

(t) 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.

3. Statement of significant accounting policies (continued)

(u) New accounting standards and interpretations not yet adopted

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

AASB 9 Financial Instruments becomes mandatory for the Group's financial statements for the period beginning on or after 1 January 2018 and could change the classification and measurement of financial assets, and the measurement of impairment on financial instruments. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers, which modifies the determination of when to recognise revenue and how much revenue to recognise, and becomes applicable for the period beginning and or after 1 January 2019. The core principle is that an entity recognises revenue to depict the transfer of promised goods and services to the customer of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

AASB 16 Leases

AASB 16 Leases was issued in February 2016 and is mandatory from 1 January 2019. The standard is likely to result in further leases being recognised on the balance sheet. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

4. Revenue

	Consolidated		The Club	
	2017	2016	2017	2016
Operating revenue	$	$	$	$
AFL distribution and prize money	10,861,443	9,788,488	10,861,443	9,788,488
Membership income	12,446,104	12,422,423	12,443,750	12,419,400
Match day income	5,117,239	4,372,640	5,003,661	4,249,614
Marketing income	14,155,211	14,947,662	13,623,492	14,438,182
Merchandise income	2,088,983	4,020,932	2,084,355	4,018,715
Gaming, bar and bistro income	19,087,366	18,338,797	6,543,238	6,404,046
Accommodation income	2,765,123	2,320,666	-	-
Donations and special fundraising	1,337,833	1,123,695	1,008,674	1,123,695
Rental income from investment property	563,162	443,931	563,162	443,931
Total operating revenue	**68,422,464**	**67,779,234**	**52,131,775**	**52,886,071**
Non operating revenue*	2,320,000	2,000,000	-	-
Total revenue	**70,742,464**	**69,779,234**	**52,131,775**	**52,886,071**
Other income	267,261	248,999	87,465	54,759
Total revenue and other income	71,009,725	70,028,233	52,219,240	52,940,830

*HFC Foundation (Public Ancillary Fund) received donations of $2.32m towards its Dingley facility project during the year (2016: $2m).

5. Finance income and expense

Interest income on bank deposits	393,703	260,915	336,390	241,328
Dividend income available for sale investments	181,283	468,124	181,283	468,124
Gain on extinguishment of financial liability	-	-	-	-
Net profit/(loss) on disposal of PP&E	(116,358)	55,354	(116,358)	12,028
Finance Income	458,628	784,393	401,315	721,480
Interest expense	(466,213)	(507,556)	-	-
Finance expense	(466,213)	(507,556)	-	-
Net finance income	(7,585)	276,837	401,315	721,480

6. Cash and cash equivalents

	Consolidated		The Club	
	2017	2016	2017	2016
	$	$	$	$
Cash on hand	936,822	886,343	432,027	429,173
Cash at bank	3,984,204	2,568,932	1,761,000	1,242,556
Short term deposit	15,012,264	15,066,520	10,962,617	12,964,939
	19,933,290	18,521,795	13,155,644	14,636,668

7. Trade and other receivables

Current

Trade receivables	1,684,717	1,564,406	1,512,085	1,458,010
Other debtors	113,896	161,613	80,361	135,522
	1,798,613	1,726,019	1,592,446	1,593,532

Non Current

Amount receivable from related parties

Loan to subsidiary – CSJV	-	-	3,246,021	3,246,021
Loan to subsidiary – CSFT	-	-	2,870,063	2,870,063
Loan to subsidiary – HFC Land	-	-	8,186,548	-
	-	-	14,302,632	6,116,084

8. Inventories

Current

Inventory	838,535	843,622	711,634	734,680

9. Investments

Non-Current

Term deposits	-	1,400,000	-	1,400,000
Equity securities/managed funds	3,656,845	6,941,622	3,255,075	6,941,622
	3,656,845	8,341,622	3,255,075	8,341,622

These investments are made up of Term Deposits, Corporate Bonds, Fixed Interest investments and Equities which are invested in line with the Club's investment policy.

10. Other assets

Current

Prepayments	755,532	918,530	502,090	670,271

11. Investment Property

	Consolidated	The Club
Cost	**$**	**$**
Balance at 1 November 2016	4,328,720	4,328,720
Acquisitions	-	-
Disposals	-	-
Balance at 31 October 2017	4,328,720	4,328,720
Depreciation		
Balance at 1 November 2016	669,842	669,842
Depreciation charge for the year	74,996	74,996
Balance at 31 October 2017	744,838	744,838
Carrying amounts		
At 1 November 2016	3,658,878	3,658,878
At 31 October 2017	3,583,882	3,583,882

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.

12. Property, plant and equipment

Consolidated reconciliation

	Land buildings & building Improvements*	Plant and equipment	Building leasehold improvements	Total
Cost	**$**	**$**	**$**	**$**
Balance at 1 November 2016	3,447,811	20,890,860	1,004,374	25,343,045
Acquisitions	8,234,613	1,593,236	50,141	9,877,990
Disposals	-	(139,648)	-	(139,648)
Balance at 31 October 2017	11,682,424	22,344,448	1,054,515	35,081,387
Depreciation				
Balance at 1 November 2016	(680,892)	(10,555,995)	(207,141)	(11,444,028)
Depreciation/amortisation charge for the year	(70,212)	(1,550,945)	(30,936)	(1,652,093)
Disposals	-	27,916	-	27,916
Balance at 31 October 2017	(751,104)	(12,079,024)	(238,077)	(13,068,205)
Carrying amounts				
At 1 November 2016	2,766,919	10,334,865	797,233	13,899,017
At 31 October 2017	10,931,320	10,265,424	816,438	22,013,182

Club reconciliation

	Land buildings & building Improvements*	Plant and equipment	Building leasehold improvements	Total
Cost	**$**	**$**	**$**	**$**
Balance at 1 November 2016	3,447,811	14,531,166	754,059	18,733,036
Acquisitions	-	658,692	-	658,692
Disposals	-	(139,648)	-	(139,648)
Balance at 31 October 2017	3,447,811	15,050,210	754,059	19,252,080
Depreciation				
Balance at 1 November 2016	(680,892)	(7,752,526)	(122,202)	(8,555,619)
Depreciation/amortisation charge for the year	(70,212)	(898,414)	(18,852)	(987,478)
Disposals	-	27,916	-	27,916
Balance at 31 October 2017	(751,104)	(8,623,024)	(141,054)	(9,515,181)
Carrying amounts				
At 1 November 2016	2,766,920	6,778,640	631,857	10,177,417
At 31 October 2017	2,696,708	6,427,186	613,005	9,736,899

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

On the 18th April 2017, HFC Land purchased a 28 hectare block of land in Dingley at the value of $7.75m. This has been recorded as an acquisition in the consolidated entity.

13. Intangible Assets

Consolidated reconciliation	Goodwill	Lease premium	Gaming entitlements	Total
	$	$	$	$
Balance at 1 November 2016	8,237,046	9,150,000	3,787,006	21,174,052
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Transfer	-	-	62,040	62,040
Balance at 31 October 2017	8,237,046	9,150,000	3,849,046	21,236,092
Amortisation and impairment				
Balance at 1 November 2016	(4,200,000)	(1,258,127)	(1,211,291)	(6,669,418)
Amortisation charge for the year	-	(228,750)	(446,153)	(674,903)
Transfer	-	-	(40,927)	(40,927)
Balance at 31 October 2017	(4,200,000)	(1,486,877)	(1,698,371)	(7,385,248)
Carrying amounts				
At 1 November 2016	4,037,046	7,891,873	2,575,715	14,504,634
At 31 October 2017	4,037,046	7,663,123	2,150,675	13,850,844

Club reconciliation	Goodwill	Lease premium	Gaming entitlements	Total
	$	$	$	$
Balance at 1 November 2016	-	-	350,460	350,460
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Transfer	-	-	62,040	62,040
Balance at 31 October 2017	-	-	412,500	412,500
Amortisation and impairment				
Balance at 1 November 2016	-	-	(134,386)	(134,386)
Amortisation charge for the year	-	-	(41,249)	(41,249)
Transfer	-	-	(40,927)	(40,927)
Balance at 31 October 2017	-	-	(216,562)	(216,562)
Carrying amounts				
At 1 November 2016	-	-	216,074	216,074
At 31 October 2017	-	-	195,938	195,938

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.

14. Payables

	Consolidated		The Club	
	2017	2016	2017	2016
	$	$	$	$
Current				
Trade payables	1,981,416	2,929,980	1,138,710	2,129,378
Other creditors and accruals	4,975,351	4,916,778	2,661,757	3,029,432
	6,956,767	7,846,758	3,800,467	5,158,810
Non-current				
Other creditors and accruals	205,056	404,833	-	-

15. Interest-bearing liabilities

Current

	Consolidated		The Club	
	2017	2016	2017	2016
	$	$	$	$
Bank loan – secured*	1,000,000	1,000,000	-	-
Gaming entitlements	-	-	-	-
Hire Purchase	-	96,389	-	-
	1,000,000	1,096,389	-	-
Non-current				
Bank loan – secured*	8,245,000	7,995,000	-	-
Hire Purchase	-	-	-	-
	8,245,000	7,995,000	-	-

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 fixed and variable rates. The loan balance at 31st October 2017 totalled $9.25m.

16. Employee provisions

	Consolidated		The Club	
	2017	2016	2017	2016
	$	$	$	$
Current				
Provision for annual leave	811,116	996,929	602,854	804,180
Provision for long service leave	885,797	849,054	807,706	826,425
	1,696,913	1,845,983	1,410,560	1,630,605
Non-current				
Provision for long service leave	138,200	120,377	110,801	77,400
	138,200	120,377	110,801	77,400

Defined contribution superannuation funds

The Club and Group makes contributions to a defined contribution superannuation fund. The amount recognised as an expense was Club $1,659,949 (2016: $1,510,999) and Group $2,106,697 (2016: $1,923,057) for the financial year ended 31 October 2017.

17. Other liabilities

Current				
Unearned revenue	1,656,405	1,505,523	1,574,701	1,384,139

The Club has unearned revenue relating to 2018 memberships and prepaid corporate function ticket sales.

18. Commitments

	Consolidated		The Club	
	2017	2016	2017	2016
	$	$	$	$
(a) Operating lease commitments				
Leases as lessee				
Non-cancellable operating lease rentals are payable:				
Within one year	3,050,699	2,932,835	782,112	874,010
Between one and five years	12,314,861	11,130,965	2,418,227	2,149,413
More than five years	17,609,164	5,612,514	3,160,698	3,167,267
	32,974,724	19,676,314	6,361,037	6,190,690

During the year $3,065,806 was recognised as an expense in the statements of profit or loss and other comprehensive income in respect of operating leases (2016: $2,862,163). 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 August 2016 a lease variation was signed in respect to an accommodation expansion, extending the current lease option to 2027. This officially commenced in July 2017 when the accommodation expansion was complete.

(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 Club has no capital commitments at 31 October 2017 (2016: $0).

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. Following the resignation of the Club's CEO in October Peter Nankivell, a director, was appointed interim CEO and was remunerated. The terms and conditions of the transactions with the Directors and their Director related entities were no more favourable than those available, or which might be reasonably expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

Key management personnel compensation

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

	Consolidated		The Club	
	2017	2016	2017	2016
	$	$	$	$
Salaries and incentives	2,190,190	2,031,831	2,190,190	2,031,831

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 (2016: $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 $3,246,021 (2016: $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 $734,307 (2016: $537,500) to the BHHFC. These payments have been eliminated in the consolidated financial statements.

The Club has a related party receivable totalling $8,186,548 (2016: $0) with HFC Land Trust, a wholly owned subsidiary. The amount is not repayable within twelve months, is non interest bearing and is unsecured.

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 available for sale 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 and HFC Land.

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 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 one 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 2017 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 financial statements and notes, set out on pages 22 to 40, 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 2017 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and

  (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 17th day of November 2017.

Signed in accordance with a resolution of the Directors:

J G Kennett

President

P W Nankivell

Director

KPMG

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 2017 and of its 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 2017
- Statements of profit or loss and other comprehensive income, Statements of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- *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 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.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

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
- assessing the Group and Club's ability to continue as a going concern. 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 this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_files/ar7.pdf. This description forms part of our Auditor's Report.

KPMG

BW Szentirmay

Partner

Melbourne

17 November 2017

Appendix1

HFC Foundation Report

The Foundation was established to ensure Hawthorn continues to thrive regardless of the competitive and complex environment in which it operates.

Our history has taught us that on-field triumph doesn't always equal off-field survival and even the most successful Clubs need to be future-ready and community minded.

Our Foundation is a Public Ancillary Fund and is endorsed by the ACNC. This endorsement allows the donors to claim tax deductions directly through the HFC Foundation for eligible donations. Donations enable the Foundation to lead and respond to opportunities above and beyond the Club's core operational activities and obligations.

The Foundation enables the Club to expand beyond the everyday so that we may contribute to the sport and the community in a meaningful way.

Importantly, the Foundation also enables the Club to reach out and engage with the community. Sport is a powerful facilitator and conduit to unifying people and to building strong, healthy and safe communities.

Foundation supporters were invited to an exclusive event held at the 28-hectare site in Dingley that the Club (with Foundation funds) has purchased to establish its future training, administration and community facility. Standing on the land, the dream that we have talked about for years, finally became tangible. Support and contributions to the Foundation will be pivotal in ensuring that the project is successful and that we have an industry leading home for generations to come.

Once again, our Indigenous program continues to grow from strength to strength. The Foundation is extremely proud of our partnership with the Epic Good Foundation and are grateful for the contribution they make in helping to drive ongoing opportunities and sustainable social change to indigenous communities nationally.

This year, the Foundation took a lead role in supporting the development and growth of women's football. In conjunction with the Club, we are strongly committed to develop a long-term sustainable program that focuses on three key pillars; participation, talent pathways and coaching. Thanks to the support of our generous donors, the Foundation was able to present a cheque for $12,750 to the inaugural Box Hill women's team as they work towards a future as elite footballers.

Importantly, the Foundation enables the Club to reach out and engage with the community, particularly in the areas of education and mental health. Sport is a powerful facilitator and conduit to unifying people and to building strong, healthy and safe communities.

[1] 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 2017. It has been prepared solely for the information of members and report users.

In 2018 the Foundation had over 88 donors. We are forever grateful for those who give so generously to support our great Club.

During the year, many functions are held as a way of saying thank you to our donors for their continued loyalty and support. Family is always the key theme with events varied each year.

The Foundation is built around great people who add significant credibility and respect to our vision and our brand. The tireless involvement of our Foundation Patron and Ambassadors is crucial. Ian Dicker, Graham Arthur, David Parkin, Peter Hudson, Peter Knights and Liam Shiels all give their time and support without question. We acknowledge their on-going commitment and thank them for their passion and loyalty.

On behalf of the Club, I would also like to thank the Foundation Directors for their invaluable contribution over the year. Thank you to existing Directors; Doug Battersby, Chris Voigt, Scott Patterson, Geoff Sammons, Geraldine Farrell, Maria Lui, Brad Harris and Ian Fullagar. I would also like to make special mention of out-going Foundation Chairman, Bruce Stevenson, who has retired from the Board but has worked tirelessly for the Foundation over many years.

Thank you to all donors for their loyalty and support. Together we believe we can achieve an even greater future for the community and the Hawthorn Football Club. Your club. One for All. Always.

J G Kennett

President - Hawthorn Football Club

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