

Hawks Sporting Club Inc

ABN 85 442 028 778

Financial Statements

For the Year Ended 30 September 2019

Hawks Sporting Club Inc

ABN 85 442 028 778

Contents

For the Year Ended 30 September 2019

	Page
Financial Statements	
Committee's Report	1
Statement of Profit or Loss	2
Statement of Assets and Liabilities	3
Notes to the Financial Statements	4
Statement by Members of the Committee	13
Independent Audit Report	14

Hawks Sporting Club Inc

ABN 86 442 028 778

Committee's Report
30 September 2019

The committee members submit the financial report of the Association for the financial year ended 30 September 2019.

1. General information

Committee members

The names of committee members throughout the year and at the date of this report are

Scott Albury - President

Brett Cottam - Treasurer

Neale Barlow - Secretary

Gordon Barber

Adam Hogan

Mel Carter

Belinda Davis - appointed in January 2019 and resigned on 11/11/2019

Keith Megaw - appointed in January 2019 and resigned on 13/7/2019

Chad Polinski - appointed on 17/2/2020

Principal activities

The principal activities of the Association during the financial year were the operation of the Sandgate Hawks community sporting club facilities, including the Australian Football operations.

Significant changes

No significant change in the nature of these activities occurred during the year.

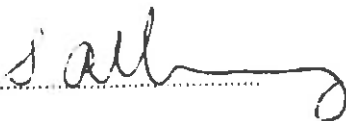
2. Operating results and review of operations for the year

Operating result

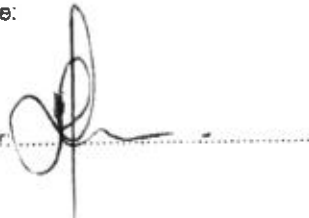
The profit of the Association for the financial year after providing for income tax amounted to \$ 8,849(2018: \$ (149,760)).

Signed in accordance with a resolution of the Members of the Committee:

President:



Treasurer:



Dated this 4th day of March, 2020

Hawks Sporting Club Inc

ABN 85 442 028 778

Statement of Profit or Loss For the Year Ended 30 September 2019

		2019	2018
	Note	\$	\$
Sales revenue	4	486,268	636,239
Cost of sales		(189,005)	(313,802)
Gross profit		297,263	322,437
Finance income	5	904	385
Other income	4	242,764	180,906
Marketing expenses		(13,129)	(22,236)
Occupancy costs		(112,350)	(118,580)
Administrative expenses	6	(224,174)	(308,286)
Finance expenses	5	(6,034)	(7,375)
Football expenses		(122,451)	(89,551)
Other expenses		(53,944)	(107,460)
Profit (loss) before income taxes		8,849	(149,760)
Income tax expense		-	-
Profit from continuing operations		8,849	(149,760)
Profit from ordinary activities after tax		8,849	(149,760)
Retained profit at the beginning of the financial year		545,946	695,706
Retained profits at the end of the financial year		554,795	545,946

The accompanying notes form part of these financial statements.

Hawks Sporting Club Inc

ABN 85 442 028 778

Statement of Assets and Liabilities

As At 30 September 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	626,426	302,577
Trade and other receivables	8	83,429	8,713
Inventories	9	12,951	23,771
TOTAL CURRENT ASSETS		722,806	335,061
NON-CURRENT ASSETS			
Land and buildings	10	598,858	612,932
Plant and equipment	10	286,535	209,087
Intangible assets	11	95,455	175,000
TOTAL NON-CURRENT ASSETS		980,848	997,019
TOTAL ASSETS		1,703,654	1,332,080
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	279,096	86,595
Borrowings	13	171,442	171,313
Employee benefits	16	17,941	16,188
Grants received in advance	15	543,053	245,381
Other provisions	14	-	38,979
TOTAL CURRENT LIABILITIES		1,011,532	558,456
NON-CURRENT LIABILITIES			
Borrowings	13	41,872	52,678
TOTAL NON-CURRENT LIABILITIES		41,872	52,678
TOTAL LIABILITIES		1,053,404	611,134
NET ASSETS		650,250	720,946
MEMBERS' FUNDS			
Asset revaluation reserve		95,455	175,000
Retained profits		554,795	545,946
TOTAL MEMBERS' FUNDS		650,250	720,946

The accompanying notes form part of these financial statements.

Hawks Sporting Club Inc

ABN 85 442 028 778

Notes to the Financial Statements

For the Year Ended 30 September 2019

The financial statements cover Hawks Sporting Club Inc as an individual entity. Hawks Sporting Club Inc is a not-for-profit Association incorporated in Queensland under the *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)* ('the Act').

The functional and presentation currency of Hawks Sporting Club Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue

Grant revenue is recognised in the statement of profit or loss when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of assets and liabilities as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Hawks Sporting Club Inc receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of assets and liabilities, with a corresponding amount of income recognised in the statement of profit or loss.

Notes to the Financial Statements

For the Year Ended 30 September 2019

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(b) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, 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 Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Notes to the Financial Statements

For the Year Ended 30 September 2019

2 Summary of Significant Accounting Policies

(f) Property, plant and equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

(g) Intangible Assets

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

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

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of assets and liabilities.

(i) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(j) Going concern

The Association has negative current assets of \$151,476. These conditions indicate a material uncertainty exists that may cast significant doubt on the Association's ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and discharge of liabilities in the ordinary course of business. This basis has been adopted as the management committee has implemented the following strategies:

- additional cost cutting opportunities
- the option to move from a sporting club reliant on gaming to a community based AFL club
- focus on sponsorships, registrations from players and canteen and beer sales
- transition into a volunteer based football club to reduce costs

Hawks Sporting Club Inc

ABN 85 442 028 778

Notes to the Financial Statements

For the Year Ended 30 September 2019

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of financial instruments

The Association has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Revenue and Other Income

Revenue from continuing operations

	2019	2018
	\$	\$
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- Gaming	155,373	250,947
- Bar	197,286	224,235
- Bistro	133,609	161,058
Total Revenue	486,268	636,240

	2019	2018
	\$	\$
Other Income		
- Registration fees	76,705	56,657
- Commissions	4,017	8,043
- Sales - Merchandise	21,733	10,709

Hawks Sporting Club Inc

ABN 85 442 028 778

Notes to the Financial Statements For the Year Ended 30 September 2019

4 Revenue and Other Income

	2019	2018
	\$	\$
- Fundraising & donations	26,973	5,773
- Sponsorships	43,625	48,699
- Sundry income	10,207	17,821
- Ground rental/hire	8,073	5,305
- Grants	34,117	27,900
- Net gain on disposal of property, plant and equipment	17,315	-
	<u>242,765</u>	<u>180,907</u>

5 Finance Income and Expenses

Finance income

	2019	2018
	\$	\$
Interest income		
- Assets measured at amortised cost	904	385
Total finance income	<u>904</u>	<u>385</u>

Finance expenses

	2019	2018
	\$	\$
Interest paid	6,034	7,375
Total finance expenses	<u>6,034</u>	<u>7,375</u>

6 Result for the Year

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Administration expenses:		
Employee benefit expenses	173,493	227,209
Depreciation expenses	47,839	72,443
Superannuation contributions	15,897	21,233

Hawks Sporting Club Inc

ABN 86 442 028 778

Notes to the Financial Statements

For the Year Ended 30 September 2019

7 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	601,463	276,899
Other cash and cash equivalents	24,963	25,678
	<u>626,426</u>	<u>302,577</u>

8 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	81,698	6,679
Prepayments	1,731	2,034
Total current trade and other receivables	<u>83,429</u>	<u>8,713</u>

9 Inventories

	2019	2018
	\$	\$
CURRENT		
At cost:		
Beverages	4,699	11,647
Food	1,447	3,826
Merchandise	6,805	8,298
	<u>12,951</u>	<u>23,771</u>

Hawks Sporting Club Inc

ABN 85 442 028 778

Notes to the Financial Statements For the Year Ended 30 September 2019

10 Property, plant and equipment

Clubhouse & Improvements		
At cost	770,192	767,637
Accumulated depreciation	(171,335)	(154,705)
Total land and buildings	598,857	612,932

PLANT AND EQUIPMENT

Capital works in progress		
At cost	133,342	-
Total capital works in progress	133,342	-

Irrigation		
At cost	174,949	174,949
Accumulated depreciation	(172,531)	(167,229)
	2,418	7,720

Furniture, fixtures and fittings		
At cost	200,675	200,675
Accumulated depreciation	(199,669)	(198,596)
	1,006	2,079

Ground lighting		
At cost	143,728	143,728
Accumulated depreciation	(45,262)	(38,498)
	98,466	105,230

Gaming plant and equipment		
At cost	310,456	420,415
Accumulated depreciation	(259,154)	(326,357)
	51,302	94,058

Total plant and equipment	286,534	209,087
---------------------------	----------------	---------

11 Intangible Assets

Gaming machine entitlements		
Cost	175,000	175,000
Accumulated amortisation and impairment	(79,545)	-
Net carrying value	95,455	175,000

Hawks Sporting Club Inc

ABN 85 442 028 778

Notes to the Financial Statements

For the Year Ended 30 September 2019

12 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Trade payables	275,877	74,443
GST payable	3,218	12,151
	<u>279,095</u>	<u>86,594</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Borrowings

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities:		
Bank loans	82	-
Loans from members	137,250	137,250
Secured liabilities:		
Bank loans	34,110	34,063
Total current borrowings	<u>171,442</u>	<u>171,313</u>
	2019	2018
	\$	\$
NON-CURRENT		
Unsecured liabilities:		
Bank loans	12,572	-
Secured liabilities:		
Bank loans	29,300	52,678
Total non-current borrowings	<u>41,872</u>	<u>52,678</u>

(a) Bank overdrafts

The bank overdrafts of the parent entity and subsidiaries are secured by a registered first mortgage over certain freehold properties of controlled entities.

14 Provisions

	2019	2018
	\$	\$
CURRENT		
Provision for jackpots	-	38,979
	<u>-</u>	<u>38,979</u>

Hawks Sporting Club Inc

ABN 85 442 028 778

Notes to the Financial Statements

For the Year Ended 30 September 2019

15 Other Financial Liabilities

	2019	2018
	\$	\$
CURRENT		
Government grants	543,053	245,381
Total	543,053	245,381

16 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Provision for annual leave	17,941	16,188
	17,941	16,188

17 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records realised gains on sale of non-current assets.

18 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 September 2019 (30 September 2018: None).

19 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

20 Statutory Information

The registered office and principal place of business of the company is:

Hawks Sporting Club Inc
120 Lemke Road
TAIGUM QLD 4018

Hawks Sporting Club Inc

ABN 86 442 028 778

Statement by Members of the Committee

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 2 to 12:

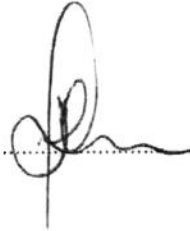
1. Presents fairly the financial position of Hawks Sporting Club Inc as at 30 September 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Hawks Sporting Club Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President



Treasurer



Dated

04/03/2020



Success through people, knowledge and understanding

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HAWKS SPORTING CLUB INC**

Audit Opinion

We have audited the financial report of Hawks Sporting Club Inc. ("the Association"), which comprises the statement of financial position as at 30 September 2019, and the statement of financial performance for the year then ended and the notes to the financial statements, including a summary of significant accounting policies and the statement by members of the Committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 September 2019, and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the *Associations Incorporations Act 1981 (Qld)*.

Basis for Opinion

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

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

Emphasis of matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the *Associations Incorporations Act 1981 (Qld)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of matter – Material Uncertainty Related to Going Concern

We draw attention to Note 2(j) in the financial report, which indicates, as of date, the Association's current liabilities exceeded its current assets by \$151,476. As stated in Note 2(j), these conditions indicate a material uncertainty exists that may cast significant doubt on the Association's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Committee is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 September 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee and Those Charged with Governance for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporations Act 1981 (Qld)* and for such internal controls as the Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatements, whether due to fraud or error. In preparing the financial report, the Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so. The Committee is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatements, 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 and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of Committees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Committee, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Bevin Schafferius CA
Director

Fortitude Valley, 16 March 2020