

WE'RE FOR AUSTRALIAN SPORT



**ANNUAL
REPORT
2017-18**

Australian Sports Foundation
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Produced by Australian Sports Foundation
Design by Soda

asf.org.au/about/annual-report

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**WE'RE FOR
AUSTRALIAN
SPORT**

**ANNUAL
REPORT
2017-18**

**THE AUSTRALIAN
SPORTS FOUNDATION'S
PURPOSE IS**

**TO RAISE MONEY FOR
AUSTRALIAN SPORT.**

OUR VISION IS

**TO BUILD A HEALTHIER,
MORE ACTIVE AND MORE
INCLUSIVE AUSTRALIA
THROUGH SPORT.**

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Senator The Hon. Bridget McKenzie,
Minister for Sport, Minister for Rural Health,
Minister for Regional Communications,
Parliament House,
Canberra, ACT 2600.

Dear Minister

On behalf of the Board of the Australian Sports Foundation, I am delighted to submit our Annual Report for the financial year ended 30 June 2018. The report has been prepared to meet Government legislative requirements, including paragraph 39(1)(a) of the Public Governance Performance and Accountability Act 2013 (PGPA Act).

This report provides a review of the Australian Sports Foundation's performance during the course of the year, and has been prepared based on properly maintained records that comply with subsection 39(2) of the PGPA Act.

The report has been approved for presentation to you in accordance with a resolution of the Australian Sports Foundation Board, and I hereby submit this report to you as a true and accurate record of our achievements on behalf of Australian sport.

Yours sincerely



Mark Stockwell OLY, DUniv
Chair
Australian Sports Foundation Ltd
8 October 2018

MESSAGE FROM THE CHAIR



The Sports Foundation's purpose is to raise money for Australian sport, and 2018 saw us work across the whole spectrum of the Australian sporting community to raise funds.

Once again, we are delighted with the outcomes, with nearly \$45m donated to support Australian sport at all levels. Beneficiaries included hundreds of our local grassroots clubs, schools and community groups, as well as many of our elite state and national sporting organisations. You will see examples of our impact in some of the success stories highlighted at pages 14–21 and we are proud of our role in helping improve physical and mental health outcomes and bringing communities together through sport.

We were also delighted to see the continued growth of our Athlete Fundraising Program – which this year more than doubled and saw over \$1.1m donated to support aspiring athletes who would otherwise struggle to fund their training, development and competition.

Perhaps the biggest step forward, however, was the establishment of our new charity, the Australian Sports Foundation Charitable Fund. This was registered with the Australian Charities and Not for Profits Commission in early 2018 and granted Deductible Gift Recipient status with effect from 1 July 2018.

This charity will enable us to help Australian sport obtain funding support from Private and Public Ancillary Funds, and its establishment is recognition that sport plays a key role in improving health outcomes, and promoting an inclusive and cohesive society.

We are excited about the opportunity that this development brings and look forward to promoting positive social outcomes through sport in the years ahead. As Minister McKenzie says in her introduction to the National Sports Plan, Sport 2030, *“Sport is part of the fabric of our communities . . . helping to strengthen social connections, support local economies and improve health outcomes.”* One of the key priorities in the Plan is to build a more active Australia – *“More Australians, more active, more often”* – and the establishment of our Charitable Fund will make it easier for the philanthropic community to partner with us to fund programs and projects that seek to achieve just that.

On behalf of Australian sport, my thanks go to our dedicated and passionate team at the Australian Sports Foundation and to my fellow Board members, for their engagement, ideas and strategic contribution.

A handwritten signature in dark blue ink, reading 'Mark Stockwell'.

Mark Stockwell
Chair

OUR CEO'S REPORT



2018 was a year of exciting progress on many fronts. We continued to promote the social and community benefits of sport and to help sport receive more funding from sports lovers and the wider philanthropic community.

Not only does sport have powerful benefits for our physical and mental health, it is at the heart of every Australian community and has a unique ability to bring people from different cultures and backgrounds together. As such, we passionately believe that every Australian should be able to enjoy the benefits of sport, irrespective of social or economic circumstances.

Our Sport4Everyone program was generously supported by Australia Post, and through this we enabled over 2000 Australians representing diverse sections of our community to benefit from playing sport. For some of their stories, see pages 18–21.

We were also delighted to see a significant increase in the amount of funds donated to support grassroots clubs and schools – around \$22.4m went to this sector in 2018, almost double the 2017 figure. We will continue to work to ensure more funds are raised for grassroots sport, to nurture the health and activity levels of young and older Australians, and to build social cohesion in our cities, towns and rural communities.

Of course, elite sport faces its own funding challenges and the Sports Foundation is committed to helping here too. Our elite sportsmen and women play a vital role in inspiring Australians to engage in sport – whether they are an aspiring Matilda, Wallaby or Hockeyroo, or wish to emulate the likes of Cate Campbell, Kurt Fearnley and the many other Olympic, Paralympic and Commonwealth athletes who have done so much to make the nation proud over the years. The National Sports Plan sets an objective of reducing the number of national sporting organisations that are more than 60% reliant on Government funding by 2025, and we are committed to working with Sport Australia and the relevant sports to help achieve this target. We are also committed to expanding our athlete fundraising program, so that our Aussie athletes get the support they need to compete on a national and international stage.

“Training, playing, travel and medical costs add up very quickly as athletes chase their dreams. So many talented kids drop out of sports because their families can’t afford it. The Australian Sports Foundation has provided us with a platform to ask for help with these costs.”

SCHWALGER FAMILY, ATHLETE, BASKETBALL

Looking to the future, it is clear that philanthropy will have a greater opportunity to contribute to the nation’s health and cohesion through sport, and our new Charitable Fund will play a crucial role in enabling this. We are excited about the opportunity to build on the success of the last few years and to help make Australia the world’s most active and healthy sporting nation.

My thanks go to our passionate and dedicated team at the Sports Foundation, for their hard work and willingness to go the extra mile for our community – for a small team we are punching above our weight! My thanks also go to our Chair Mark Stockwell and Board members Josh Liberman, Sally Carbon, Sam Pearce and Tim Sheridan; you provide welcome support and valuable strategic guidance, which has been instrumental in our achievements this year.

I would also like to thank our independent Audit Committee members – Rod Balding, Jason Agnoletto and Annabelle Williams OAM – who provide invaluable input to support us in this vital role.

Finally, of course, my congratulations and thanks to all our fundraising partners, donors and supporters, who have together made a real difference to Australian sport.



Patrick Walker
CEO



ABOUT THE SPORTS FOUNDATION

The Australian Sports Foundation is a Not-for-Profit organisation whose purpose is to raise money for Australian sport.

We believe strongly in the power that sport has to improve physical and mental health, to teach valuable life skills and to bring different cultures and communities together... and we want every Australian to be able to enjoy sport, regardless of their ability, economic, cultural or social circumstances.

Through our Fundraising4Sport program, we work with clubs, schools and athletes to help them raise funds. We operate Australia's only dedicated sports fundraising platform, and our involvement ensures that donors are able to claim a tax deduction for their generous contributions. We provide the sporting community with a range of tools and resources to help make fundraising easy and effective, and also have a team of dedicated Sports Partnership Managers available to guide and advise them on their fundraising programs.

The funds raised ensure that more individuals, families and communities are able to gain from the physical and mental health benefits of sport, and enable more Australians to have the opportunity of building lifelong friendships and bringing their communities together through a shared passion for sport.

We also operate a small grants program, Sport4Everyone, which provides grants of up to \$10,000 to clubs, schools and community groups to grow grassroots participation in sport. Sport4Everyone has a particular focus on helping disadvantaged, marginalized or excluded Australians engage in sport. We want to build a more inclusive society, and sport is a powerful vehicle through which to achieve this – it brings people together on what is truly a level playing field.

STRATEGIC DIRECTION

In recent years, we have been able to help the sporting community raise more funds through philanthropic donations. In the period 2014–2018, generous Australians have donated around \$146m to sport, compared with around \$77m in the preceding four years – an increase of nearly 90%. Nevertheless, sport still receives only a fraction of 1% of total philanthropic contributions made in Australia annually. We do not believe this reflects the important role that sport plays in the lives of most Australians, nor the many social and community benefits that sport brings. Our objective is to grow money raised for sport from its current level to around \$100m a year by 2021, and by 2025 we aim to reach a level comparable to philanthropic contributions made to the Arts – estimated to be around \$300m a year.

To help us in this mission, we will continue to invest in our digital platform and the development of fundraising tools to make it as easy as possible for the sporting community to raise funds. We will also invest in marketing through digital and other channels to grow our current footprint; our aim is to be working to raise funds for around 10% of Australia's clubs, schools and eligible athletes by 2025.

An important step has been the recent establishment of our charity, the **Australian Sports Foundation Charitable Fund**. This enables the philanthropic community to use funds held in Private and Public Ancillary Funds to support sporting projects with a charitable purpose. During the course of 2019 the charitable fund will become fully operational, and a major focus will be to engage the sporting community and to help them establish relationships with relevant Ancillary Funds.

We will also reach out to Ancillary Funds to source funding for our **Sport4Everyone program**, so that we can positively impact the lives of more Australians in the years ahead.

Whilst the Charitable Fund can support sporting projects and programs with any charitable purpose, we will initially focus our efforts on three main cause areas:

- We will seek to improve the health of our communities by supporting increased levels of physical activity. A major focus here will be to generate funding to construct or improve **community sports facilities**, so that more Australians can be more active, more often through sport;
- The rise of **women's and girls'** sport has been both heartening and impressive in recent years. Yet women and girls still participate at around half the rate of men and boys across almost all sports, and as a result, female activity levels are lower than males, leading to associated health problems. We aim to address this by raising funds to increase female participation – for example by adapting more change rooms to cater for females, or by training and developing more female coaches and umpires;
- Our Sport4Everyone program has shown that sport is a great way to promote tolerance and reconciliation between people from different cultures and backgrounds. Going forward, we will seek to grow the impact of this program by funding more projects designed to promote **harmony, diversity and inclusion** through sport.

OUR IMPACT

In 2017/18, we supported sport at all levels from grassroots and community organisations, to individual athletes and professional and national clubs and teams.

Whether it was a junior athlete needing \$1000 to compete in an interstate games, or an elite club fundraising for a multi-million dollar facility upgrade, we were there every step of the way to provide guidance, support and advice to ensure Aussie sport continues to thrive and succeed.



HIGHLIGHTS

FUNDRAISING4SPORT

It was fantastic to see a number of sports really getting serious about fundraising, and achieve a significant growth in donations compared to last year as a result – with Rugby League (up 160%), Tennis (82%), Golf (65%) and Sailing (56%) all standing out. The top 10 fundraising sports in 2017–18 were:

TOP 10 BY SPORTS TYPE



Multi-Sport
\$12.5m



AFL
\$12.3m



Golf
\$7.1m



Rugby Union
\$2.6m



Sailing
\$1.8m



Football
(Soccer)
\$1.2m



Rugby
League
\$1.1m



Rowing
\$1m



Athletics
\$865.1k



Tennis
\$694.3k

Looking at donations with a State/Territory lense, Victorians were once again the most generous donors to sport, with 38% of all donations coming from the sports-loving State.

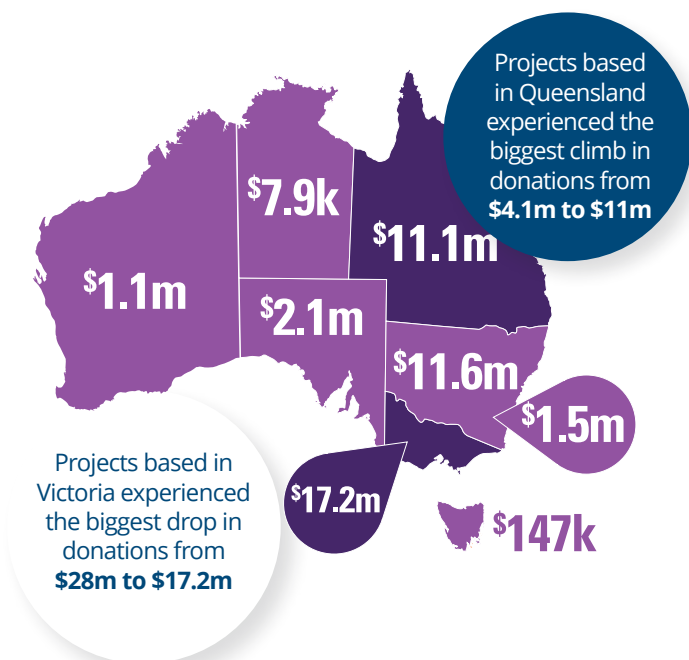
However, Queensland and New South Wales are catching up fast – donations in Queensland more than doubled to \$11m, while in New South Wales they grew by 61% to \$11.5m.

BIGGEST INCREASES AND DECREASES



While most donations were of money, we again saw an increasing number of Australians donating goods or property to support the sports they love. In 2017/18 we received donations of goods valued at over \$1m – a 41% increase on the prior year. The goods donated ranged from rowing sculls to support a disability rowing program in Sydney, to electronic equipment to fit out a surfing high performance centre in Queensland.

DONATIONS RECEIVED BY STATE



While our fundraising campaigns can sometimes raise millions of dollars, most grassroots projects are geared at raising relatively small amounts – typically \$5 – \$20,000. However, at this level of sport, a small amount goes a very long way.

NATIONAL AND STATE BODIES RAISED

\$7,708,741

17%
of total funds
raised

FUNDS RAISED FOR INDIVIDUAL ATHLETES

\$1,136,269

More than
double
last year!

\$21
MILLION

**OF DONATIONS
WERE MADE TO
GRASSROOTS CLUBS!**

Up from \$10.7m in 2016/17
financial year.

47%
of donations
went to
grassroots
sports!

SCHOOLS FUNDRAISING

70%

**OF DONATIONS
WENT TO
NON-PROFESSIONAL
SPORTS**

Professional and elite
sports raised

\$13.5m

\$1.5m

**OF DONATIONS
WENT TO SCHOOL
SPORTS PROGRAMS**

3%
of total
funds raised

ADD-ONS

Amounted to

\$1.6m

UP 24%
from last year



47%
increase in
donated goods

CASE STUDIES

MAROOCHY BEACH GYMNASTICS

REBUILD MAROOCHY BEACH GYMNASTICS OLD

In May 2017 a massive fire ripped through the Maroochy Beach Gymnastics Club completely destroying the building and all of the equipment.

No one was hurt but it meant that the 1000 members were without anywhere to meet, train and compete and they needed financial help and fast.



The club came to the Australian Sports Foundation with their urgent need and soon their fundraising project was inundated with support from Maroochy members, the Sunshine Coast Community as well as other gymnastics clubs.

In the last year the generosity of the community has enabled the club to raise over \$200K enabling them to continue to flourish in a temporary gymnastics space while their new club is rebuilt bigger and better than before.

Total Donations: \$210,178

KAOS ULTIMATE FRISBEE CLUB

TEAM TRAVEL TO USA WORLD CHAMPS WA

Kaos Ultimate Frisbee Club (KUFC), are a women's team that were selected to represent the country in the World Club Championships in USA.

KUFC celebrates participants of all different cultures and backgrounds and has the vision to develop the sport in WA.



Ultimate frisbee is a self-funded sport and the team plus support staff needed to raise money to help with flights, accommodations and tournament entry costs.

Their Sports Foundation project was met with over 30 donations from networks, friends and fans with amounts ranging from \$10 up to \$1000.

Total Donations: \$5100

COLLINGWOOD BASKETBALL ASSOCIATION

STAY, PLAY, LEAD AND SUCCEED, VIC

Collingwood Basketball Association's (CBA) youth retention and re-engagement program was a highly successful fundraising campaign receiving over 130 donations.

The club focused on ensuring all young people had an opportunity to play basketball as well as re-engaging players who were at risk.



CBA used the effective fundraising strategy of giving members the option to make a donation to the project while they were in the process of paying their registration fees. Using this method they were able to raise over \$5,000 in a very short space of time.

Total Donations: \$10,000

GIRLS INDEPENDENT GOLF LEAGUE (GIGL)

DEVELOPMENT FUND, NSW

GIGL is an organisation focused on empowering girls through developing skills for life while learning to play golf.

Donations enabled them to fund professional tutors, tournament fees, transport and equipment for the girls who need it most.



Golf is a sport with a predominately male participation rate, and for GIGL the goal is to make the game accessible and attractive to all girls by encompassing fun, friendship and supportive coaching in an encouraging environment.

Total Donations: \$4,630

INDIVIDUAL ATHLETES

In many ways 2017/18 was the year of the athlete, with the Commonwealth games back on home soil and also dozens of talented athletes representing Australia at the PyeongChang Winter Olympics.

This influx of global sporting events meant that more athletes were looking for alternative funding methods to help them achieve their sporting dreams, and the Sports Foundation was there to help.

This year we supported nearly 600 Athletes and helped them collectively raise over \$1.1 million in much needed funds.

CASE STUDIES

RIA THOMPSON

Ria Thompson's journey to representing Australia in the women's double rowing team was not without blood, sweat and tears – and two rib fractures.

Injury and setbacks saw her work even harder to achieve her goal.

Ria relocated to Sydney to train with her doubles partner and between the relocation, studying full-time and training, working was impossible! The funds that Ria raised through the Sports Foundation helped her train and prepare to her fullest potential and saw her get to the Rowing World Cup in Switzerland and the U23 World Championships in Poland.

Total donations received: \$6,976



JAYDEN LAWRENCE

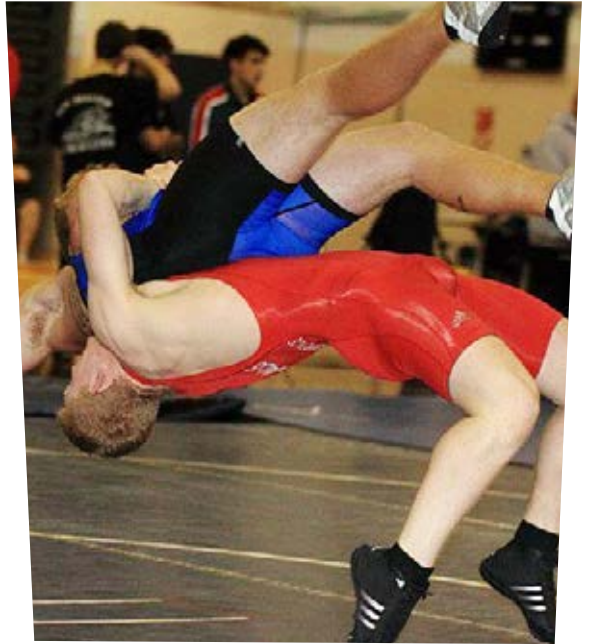
Jayden started wrestling at age nine and has won gold medals across state, national and international tournaments.

He has now represented Australia at Commonwealth games and is shooting for the 2020 Olympics.

Wrestling in Australia receives limited funding compared to many other sports and much pressure is put on the wrestlers to contribute self-funding to reach their full potential.

The fundraising support of the Sports Foundation reduced the amount of time Jayden needed to work and allowed him to put in more training hours in the lead up to the Gold Coast Commonwealth Games.

Total Donations received: \$10,000



“The Sports Foundation has donated considerable resources and advice to assist us in our endeavors, we have thoroughly enjoyed talking to them and enjoyed the confidence of knowing that our campaign can be successful.”

KEN JACOBS, DIRECTOR, CRICKET WITHOUT BORDERS.

SPORT4EVERYONE

This year, through our Sport4Everyone grant program, and with the generous support of Australia Post, we were able to touch the lives of more than 2000 Aussies from all walks of life.

Too often non-English speakers, people with physical or intellectual disabilities, people living in remote areas, and those from low-income households, are missing out on the positive physical, mental and emotional benefits that sport brings.

The theme for our Sport4Everyone grant round was 'Inclusion and Diversity' and focused on increasing long term sport participation amongst all genders, cultures, abilities and ages.

Adding a wheelchair ramp and accessible bathroom to their clubhouse can go a long way toward making people feel welcome, but often this is only a starting point. We supported clubs to educate their coaches, leaders and parents on how to *open the door* and make their clubs and schools more inclusive, accessible and welcoming.

From a small school in the Northern Territory 400 kilometers from the nearest city to a Football/ Netball club in the heart of Victoria, together with Australia Post we are *proud* to support them all.



CASE STUDIES

NORTH BALGA PRIMARY SCHOOL— BALGA, WA



235
students

23
different countries
of birth

38
diverse first
languages

ENHANCING FUNDAMENTAL MOVEMENT SKILLS FOR YOUNG STUDENTS

The majority of students at North Balga Primary School come from low socio-economic and non-English speaking backgrounds. Of the 235 students enrolled at the school, 18 per cent are Indigenous and nearly 50 per cent use English as a second language, with 23 different countries of birth and 38 first languages - this can often be a barrier to participating in sports and accessing sporting clubs. As a result, many of the young students at North Balga Primary are not developing basic fundamental movement skills.

With the support of a Sports Foundation grant, North Balga plans to offer Uni-Active – a program to help children aged 4–8 years, enjoy physical activity in a non-competitive environment, whilst developing vitally important fundamental

movement skills. The program was developed by the University of WA in 2014 and is now running in over 200 schools across the State.

In addition to supporting children, Uni-Active will also work with early childhood teachers to help them improve their knowledge and confidence in teaching fundamental movement skills. Workshops will also be offered to parents to help improve understanding about the importance of physical education.

CALWELL LITTLE ATHLETICS CLUB – CALWELL, ACT

“This is such an amazing thing to happen to our club. We are looking forward to seeing our dream come true”
Stacey, Calwell Little Athletics



NEW STARTING GUNS AND TIMING GATES THAT ARE SENSITIVE TO STUDENTS WITH AUTISM

Many children with Autism struggle to find a team sport they can belong to, as they often experience sensory processing and social issues that hinder their ability to participate.

Little Athletics is a brilliant choice of sport because although the sporting activities are undertaken as part of a club, children compete against their own times. In addition, if the sport becomes too overwhelming they can choose to sit out without disadvantaging the team.

However sometimes the starting guns are very loud, and children with Autism and sensory issues find the bang distressing. The Calwell Little Athletics Club – which meets every Saturday from October to March – identified this as an issue within their club, and sought a grant from the Sports Foundation to make their club more inclusive for children with Autism and other sensory differences.

Through the support of the grant, the club plans to purchase new starting guns that emit a digital beep as opposed to a loud bang. Funding has also been provided for new timing gates that connect to the same system, and display a flash when the race starts. This will also enable children with hearing impairments to compete.

The club hopes these new features will provide a safe and inclusive space for children with disabilities to fully participate in little athletics.

HAMILTON KANGAROOS FOOTBALL CLUB – HAMILTON, VIC

GAY? THAT'S OK CAMPAIGN

Hamilton Kangaroos is a local not-for-profit football club that aims to provide opportunities for everyone to participate in football. The club sees its role as more than just a sports club. Due to their significant reach in Hamilton and surrounding communities, they recognise that they have an important role to play in breaking down barriers and challenging long-held beliefs that discriminate against LGBTIQ+ people.

For the second year running, with the support of a Sports Foundation grant, Hamilton Kangaroos plans to host the 2nd Annual Pride and Inclusion Day. Off the back of the first year's success, Hamilton Kangaroos will partner with key organisations in the region to promote, encourage and increase diversity and social inclusion, especially inclusion of LGBTIQ+ people in sport.



The Pride and Inclusion Day will allow football clubs to stand together as inclusive clubs and safe spaces for members of the community, regardless of sexual orientation or gender identity. In addition to holding inclusive matches, the campaign will also feature lunch and learn dialogues for clubs in the region to learn how they can be more inclusive of LGBTIQ+ people. These events will promote fair and unbiased treatment of LGBTIQ+ people, and help raise awareness about how best to support and include these individuals in football.

The Hamilton Football Club hosted a Pride and Inclusion Day to support LGBTIQ+ people, all ability groups, Aboriginal people and women by providing education to everyone about the importance of being an inclusive, diverse and welcoming club.

OUR TEAMMATES



AUSTRALIA POST

This year we were able to award \$350,000 in small grants to nearly 50 grassroots clubs, schools and organisations through Australia Post's generous support of our Sport4Everyone program.

The collaboration between Australia Post and the Sports Foundation was born from a shared passion for grassroots sport and the important role it plays in building connections amongst people from different walks of life.

Both organisations are committed to contributing to more inclusive communities and recognise sport is a powerful tool which provides a platform to bring people together.



WOTIF

The Australian Sports Foundation and Wotif came together to help Australian clubs and athletes on their sporting journey. This collaboration came about as a means to offer our fundraising partners a way to get much needed funds for their projects through travel – something people do frequently and spend money on.

By partnering with the Australian Sports Foundation, clubs and athletes receive a unique code that their friends, family, colleagues and teammates can use when making travel bookings which means a percentage of the money spent on booking goes back to their favourite club or athlete.



AUS8

Aussie clothing and merchandise company Aus8 share our same love for sport and for helping grassroots clubs and local athletes. Aus8 create sporty and high fashion Australian clothing. The best part is that any item sold of the Aus8 range generates funds for the Australian Sports Foundation that enables them to put back in to grassroots and community organisations.



FINANCIAL REPORT

For the year ended 30 June 2018

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2018

The Directors present their report together with the financial report of the Australian Sports Foundation Limited (the Sports Foundation) for the year ended 30 June 2018 and the Auditor's report thereon.

NAME:

MR MARK STOCKWELL (CHAIR)

Experience and special responsibilities:

Mr Stockwell is an Olympian and a businessman, being the owner of Stockwell, a development, construction, property management and fund management group.

Mr Stockwell commenced his career as an elite swimmer representing Australia in the 1984 Olympics and 1986 Commonwealth Games. After his retirement from swimming, Mr Stockwell joined the family business, and as Managing Director of Stockwell has seen the company diversify as an investor, developer, builder, project manager, property manager and fund manager of industrial, retail, commercial, residential and leisure developments.

Mr Stockwell has maintained his participation in sport over the years and in 2011 chaired the successful bid by the Gold Coast to host the 2018 Commonwealth Games. Mark was Mayor of the Village during the games.

Mr Stockwell is a past President of the Property Council of Australia, Queensland Division and served on the National Board. He is the inaugural Chair of Trade & Investment Queensland. Mr Stockwell is a Trustee of the Stockwell Foundation, founded by Mark and his wife Tracy to benefit children in need.

Mr Stockwell is the current Chair and was appointed to the Board as Director of the Sports Foundation on 1 July 2014.

NAME:

MS SALLY CARBON OAM, FAICD, BA ED

Experience and special responsibilities:

Ms Carbon is a Medal of the Order of Australia, a Member of the Order of St John and a Fellow of the Australian Institute of Company Directors. She is a non-executive director and a business strategist.

She is the Managing Director of Green Eleven, an advisory and consulting company in Western Australia with clients from all sectors such as urban renewal, retail, resources, transport, agriculture, health, education and finance.

Ms Carbon sits on the UWA Sport Advisory Council and West Australia's film board – Screenwest, is a member of the Boards of St Johns and Apollo Health, and Chairs the private company Honan Insurance Group WA.

She was previously the Director of Marketing and Communications at the urban renewal project at Docklands Authority in Melbourne.

Ms Carbon is a dual Olympian and has won an Olympic and World Cup gold medal, representing Australia in Hockey for ten years. She has had seven books published.

Ms Carbon is the Chair of the Sports Foundation Finance, Audit and Risk Committee.

Ms Carbon was appointed to the Board as Director of the Sports Foundation on 7 May 2008.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2018

NAME:

MR JOSHUA LIBERMAN, LLB, BCOMM

Experience and special responsibilities:

Josh Liberman is Chairman of the Josh Liberman Group (JLG) one of Australia's largest private investments groups, with interest in industries such as property, banking and finance and early stage venture capital.

Mr Liberman has over the past decade, been active in funding and investing in numerous Fund strategies in areas such as Private equity and Takeovers, Aviation aircraft ownership, Hedge Fund management and Equipment Finance and Leasing.

JLG is currently also a partner in CVS Lane Capital Partners focusing on structuring and advice in the Property industry in Australia.

Early stage investments have focused on internet companies which have had a potential for a global business and included companies such as Seek, Looksmart (for which he won the Venture prize in Australia) and Hitwise.

JLG has been a large donor to a multitude of Australian and Global charities over the years. Mr Liberman holds a Bachelor of Law and Commerce from Monash University.

Mr Liberman was appointed to the Board as Director of the Sports Foundation on the 28 January 2015.

NAME:

MS SAMANTHA PEARCE, BCI

Experience and special responsibilities:

Ms Pearce epitomises a new breed of digital leaders and innovators. For over 12 years she has guided, transformed and cajoled businesses towards effective marketing and behaviour change strategies that bridge the digital divide.

Rising through the ranks of one of Australia's leading digital agencies and working with accounts locally, nationally and globally, she has helped countless organisations grapple with the disruption of digital technologies and simultaneously built the capabilities and reputation of the agency she represents.

As Marketing Director and Lead Digital Strategist of Liquid Interactive, she leads a world-class team at one of Australia's most successful independent digital creative groups, the Liquid Group of companies. Her industry achievements and recent accolades include Australian and International awards for digital strategy, purchase behaviour and mobile experience design.

In 2015 she received recognition from Google for her remarkable work as Lead Strategist for the Isuzu UTE Australia digital strategy. Ms Pearce understands business; steeped in a family history of success and with the ability to combine new and traditional paradigms of thinking and acting, she brings a wealth of experience to the Sports Foundation Board.

Ms Pearce was appointed to the Board as Director of the Sports Foundation on the 13 December 2016.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2018

NAME:

MR TIMOTHY SHERIDAN, BA (C&J)

Experience and special responsibilities:

Mr Timothy Sheridan, BA (C&J) Mr Sheridan is a distinguished sports journalist, and well known within the Australian sports community.

After completing a Bachelor of Arts degree in journalism at Charles Sturt University, Mr Sheridan joined Australian Consolidated Press in 1981. He was a reporter, feature writer and sub-editor for Australian Consolidated Press (ACP) sporting publications which included Rugby League Week, Australian Cricket Magazine and Australian Golf.

During this time Mr Sheridan played rugby union for Sydney club Manly and toured New Zealand with the New South Wales Waratahs in 1982.

After three years with ACP Mr Sheridan continued to thrive in his career of sports journalism and worked for 35 years with both Nine and Fox Sports. Mr Sheridan has covered 17 Wimbledon Championships and in 2015 celebrated the 20 year anniversary of his first trip to the US Masters by being at Augusta for Jordan Spieth's historic win; he has spanned the globe revealing the stories and characters that have shaped Australian sport.

In 2016, Mr Sheridan received the Australian Sports Commission's award for the Best Documentary.

Depicting the Value of Sport in Community. This was for the documentary "From Little Things", which shows how the Clontarf Foundation uses sport to keep indigenous boys in school.

Outside of his own work, Mr Sheridan has written and taught a Sports Journalism course at The University of Sydney, mentors young journalists and is deeply involved in sport on a day to day basis. Mr Sheridan is on the Board of Mosman Rowing Club, one of Australia most successful nurseries for elite talent.

Mr Sheridan was appointed to the Board as Director of the Sports Foundation on the 1 September 2015.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2018

Six Directors' meetings and five Finance, Audit and Risk Committee meetings were held during the financial year. The number of meetings attended by each Director during the financial year is:

Director	Board Meetings		Finance, Audit and Risk Committee Meetings	
	A	B	A	B
Mark Stockwell	5	6		
Sally Carbon OAM	6	6	5	5
Josh Liberman	4	6		
Samantha Pearce	6	6		
Timothy Sheridan	6	6		

A – Number of meetings attended

B – Number of meetings held during the time the Director held office during the year

PRINCIPAL ACTIVITIES

The principal activity of the Sports Foundation during the financial year was to raise money for the development of sport in Australia. To achieve this, the Sports Foundation receives philanthropic donations from individuals and businesses and distributions from funds and makes discretionary grants to fund sporting programs and projects. The Sports Foundation raises funds for the benefit of grassroots sports clubs, schools and community organisations, as well as elite – including State and National – sporting organisations. It also runs an Athlete Fundraising program, enabling the community to provide financial support to aspiring and representative athletes.

PERFORMANCE MEASURES

The key objectives of the Sports Foundation are to:

- Achieve a substantial growth in the amount of philanthropic contributions to sport;
- Substantially increase the number of grassroots clubs, schools and athletes that it supports; and
- Raise funds to help disadvantaged Australians enjoy the health, social and community benefits of being more active through sport.

The Sports Foundation also recognizes its responsibility as the leader in Australian Sports Philanthropy to build awareness among the philanthropic community of the health, social and community benefits of sport.

Accordingly, key performance indicators include the number of organisations and athletes that partner with the Sports Foundation to raise funds and the amount of money raised. The Sports Foundation also monitors the effectiveness of its market reach among key sporting and philanthropic stakeholder groups.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2018

ENABLING LEGISLATION, OBJECTIVES AND FUNCTIONS INHERENT IN THAT LEGISLATION

The Sports Foundation's enabling legislation is the *Australian Sports Commission Act 1989*, which states that "The purpose of the company is to raise money for the development of sport in Australia."

ORGANISATIONAL STRUCTURE

The Sports Foundation is a public company limited by guarantee in accordance with the *Corporations Act 2001* and is a wholly-owned Commonwealth Company under the *Public Governance Performance and Accountability Act 2013*.

The Australian Sports Foundation is the sole shareholder and member of the ASF Community Sports Fund Pty Ltd which was incorporated on 20 June 2017. The purpose of the ASF Community Sports Fund Pty Ltd is to act as Trustee for the Australian Sports Foundation Charitable Fund which was settled on 4 July 2017. As at 30 June 2018 ASF Community Sports Fund Pty Ltd has no assets or liabilities. It is anticipated that ASF Community Sports Fund Pty Ltd will commence operations on 1 January 2019.

The Sports Foundation employs 12 staff (11.6 full time equivalents).

LOCATION OF MAJOR ACTIVITIES AND FACILITIES

The Sports Foundation operates from an office based at the Australian Institute of Sport campus in Canberra, and other offices located in Perth, Brisbane and Sydney.

FACTORS, EVENTS OR TRENDS INFLUENCING PERFORMANCE

There is growing awareness and focus on the need for Australians to become more active, and recognition of the important role that community and grassroots sport plays in improving physical and mental health and building social cohesion. In addition, there are challenges in funding Australian sport at all levels, and an increasing emphasis in Government policy on the opportunity for philanthropic funding to help address some of the current and future funding needs.

The Sports Foundation will therefore play an increasingly important role in funding sport and achieving improved social and community outcomes in the years ahead.

RISKS AND OPPORTUNITIES IN FUTURE YEARS

The Sports Foundation's fundraising capabilities will continue to be strengthened, with continued focus on enhancing its ability to help the sporting community raise funds from philanthropic sources. The establishment of the Australian Sports Foundation Charitable Fund during the course of the year provides substantial opportunities to increase the amount of philanthropic money donated to sport in the years ahead.

Philanthropic giving represents discretionary spending on the part of the prospective donors, and consequently there is a risk that donations can be adversely affected by economic uncertainty, rising unemployment and the rising cost of living. Nevertheless, as donations to sport still represent less than

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2018

1% of all tax-deductible donations in Australia, the Directors consider there is substantial opportunity for future growth.

STATE OF AFFAIRS

The establishment of the Australian Sports Foundation Charitable Fund represents a significant step forward, and greatly increases the opportunity for the philanthropic community to achieve positive social impact through sport. In addition, the Sports Foundation expanded its Athlete Fundraising Program during the course of the year. This allows philanthropists to donate in support of specific athletes, to provide much needed funds for training, preparation and equipment. There were no other significant changes in the state of affairs of the Sports Foundation during the financial year. The Sports Foundation continued investing in its digital platform and capabilities, which is essential given the ever-increasing preference for donations to be made online.

REVIEW AND RESULTS OF OPERATIONS

The operating profit for the year ended 30 June 2018 was \$777,848 (2017 operating loss of \$338,126).

MEMBERS' FUNDS

In the event of winding up, every member of the Sports Foundation undertakes to contribute to the property of the organisation up to an amount not exceeding \$100. At 30 June 2018, there were 5 members, and consequently the total amount that members are collectively liable to contribute if the Sports Foundation is wound up is \$500 (2018: \$500).

SIGNIFICANT DEVELOPMENTS SINCE THE END OF THE FINANCIAL YEAR

There have been no significant developments since the end of the financial year.

FUTURE LIKELY DEVELOPMENTS

The Sports Foundation's newly-established Charitable Fund will enable a broader focus on helping sport access funding from the philanthropic community in the years ahead. Charitable funds will be allocated to programs that achieve positive social change by enabling disadvantaged or marginalized sections of the community to achieve improved health and social outcomes through sport. More generally, substantial growth is anticipated in funds raised for grassroots clubs, schools and eligible athletes in the period 2019–2021. Finally, the Government policy of broadening the meaning of sport to encompass *"a broad range of physical activities including informal, unstructured activity such as walking, riding, swimming and running as well as traditional, structured sport and new and evolving sport and physical activity offerings"* (as set out in the National Sport Plan: Sport 2030, published by the Australian Government on 1 August 2018) will provide additional opportunities for the Sports Foundation to raise funds to promote a healthier more active society.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2018

ENVIRONMENTAL REGULATIONS

The Sports Foundation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIRECTORS, AND THE FINANCE AUDIT AND RISK COMMITTEE

The Federal Minister for Sport is responsible for appointing the Board of Directors. The number of Board members has not increased during the year and remains as five.

Ms. Carbon continues to Chair the Sports Foundations Finance, Audit and Risk Committee and has operated in that capacity throughout the 2018 financial year.

Pursuant to the *Public Governance Performance and Accountability Act 2013*, Members of the Finance, Audit and Risk Committee were independently appointed from July 2017 for an initial period of two years from a competitive process and offered positions on the Committee based on the individual experience and skill sets they each bring.

The other members of the Finance, Audit and Risk Committee are Mr. Rodney Balding who has been appointed the Deputy Chair, Ms. Annabelle Williams OAM, and Mr. Jason Agnoletto.

INDEMNITIES AND INSURANCE PREMIUMS FOR OFFICERS

During the financial year, the Sports Foundation paid a premium in respect of a contract insuring the Directors and Officers against liability incurred as such a Director or Officer, other than conduct involving willful breach of duty in relation to the Sports Foundation, to the extent permitted by the *Corporations Act 2001*.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No person has applied for leave of Court to bring proceedings on behalf of the Sports Foundation or to intervene in any proceedings to which the Sports Foundation is a party for the purpose of taking responsibility on behalf of the Sports Foundation for all or any part of those proceedings.

The Sports Foundation was not a party to any such proceedings during the year.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2018

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration in relation to the audit for the financial year is provided with this report.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors) by reason of the contract made by the Sports Foundation or a related corporation with the Director or with a firm of which he or she is a member, or with a company in which he or she has a substantial financial interest.

Dated at Brisbane, on 24th of August 2018



Mark Stockwell
Board Chair



Sally Carbon OAM
Director

Signed in accordance with the resolution of the Directors.

AUSTRALIAN SPORTS FOUNDATION LIMITED DIRECTORS' DECLARATION

For the year ended 30 June 2018

The Directors of the Australian Sports Foundation Limited declare that:

- a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the financial position of the Australian Sports Foundation Limited as at 30 June 2018 and its performance, as represented by the results of its operations and cash flows for the year ended on that date, and
 - (ii) Complying with Australian Accounting Standards, and *Corporations Regulations 2001*; and
- b) able to pay its debts as and when they become due and payable. This declaration is made in accordance with a resolution of the directors.

Dated at Brisbane, on 24th of August 2018



Mark Stockwell
Board Chair



Sally Carbon OAM
Director



Mark Stockwell
Chairman, Board of Directors
PO Box 176
BELCONNEN ACT 2616

**AUSTRALIAN SPORTS FOUNDATION LIMITED FINANCIAL REPORT 2017–18
AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of the Australian Sports Foundation Limited for the year ended 30 June 2018, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Josephine Bushell
Senior Director

Delegate of the Auditor-General

Canberra

24 August 2018

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777



INDEPENDENT AUDITOR'S REPORT

To the members of Australian Sports Foundation Limited

Opinion

In my opinion, the financial report of Australian Sports Foundation Limited for the year ended 30 June 2018 is in accordance with the *Corporations Act 2001* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of Australian Sports Foundation Limited's financial position as at 30 June 2018 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The financial report of Australian Sports Foundation Limited, which I have audited, comprises the following statements as at 30 June 2018 and for the year then ended:

- Directors' Declaration;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Australian Sports Foundation Limited in accordance with the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Sports Foundation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the director's report for the year ended 30 June 2018 but does not include the financial statements and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

In connection with my audit of the financial report, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of Australian Sports Foundation Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing Australian Sports Foundation Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I 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 my independence, and where applicable, related safeguards.

Australian National Audit Office

A handwritten signature in dark ink, appearing to read 'Bushell', written in a cursive style.

Josephine Bushell
Senior Director

Delegate of the Auditor-General

Canberra
24 August 2018

AUSTRALIAN SPORTS FOUNDATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
NET COST OF SERVICES			
EXPENSES			
Employee benefits	2A	1,472,438	1,371,651
Suppliers	2B	762,590	884,753
Grants		41,790,914	42,811,623
Depreciation and amortisation	2C	128,934	130,395
Total expenses		44,154,876	45,198,422
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Gross donations	3A	44,732,632	44,752,127
Sponsorship	3A	34,773	3,750
Grants	3A	118,354	34,217
Interest	3B	46,965	70,202
Total own-source revenue		44,932,724	44,860,296
Net contribution by services		777,848	(338,126)
Surplus/(loss) on continuing operations		777,848	(338,126)
Total comprehensive income/(loss) attributable to the Australian Government		777,848	(338,126)

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN SPORTS FOUNDATION LIMITED

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Financial assets			
Cash and cash equivalents	4A	23,064,614	18,061,760
Trade and other receivables	4B	835,035	670,547
Total financial assets		23,899,649	18,732,307
Non-financial assets			
Property, plant and equipment	5A	14,122	16,782
Computer hardware	5B	7,952	21,770
Intangible assets	5C	148,199	180,893
Prepayments		16,305	20,541
Total non-financial assets		186,578	239,986
Total assets		24,086,227	18,972,293
LIABILITIES			
Payables			
Suppliers	6A	77,407	103,588
Other payables	6B	36,974	73,079
Grants payable	6C	19,280,319	14,886,020
Total payables		19,394,700	15,062,687
Provisions			
Employee Provisions	6D	66,213	62,140
Total provisions		66,213	62,140
Total liabilities		19,460,913	15,124,827
Net assets		4,625,314	3,847,466
EQUITY			
Reserves	7	4,625,314	3,847,466
Total equity		4,625,314	3,847,466

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN SPORTS FOUNDATION LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Opening balance			
Balance carried forward from previous year		3,847,466	4,185,592
Adjusted opening balance		3,847,466	4,185,592
Comprehensive income			
Other comprehensive income			
Surplus/(loss) for the year		777,848	(338,126)
Total comprehensive income		777,848	(338,126)
Transactions with owners			
Distributions to owners		-	-
Contributions by owners		-	-
Sub-total transactions with owners		-	-
Closing balance as at 30 June	7	4,625,314	3,847,466

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN SPORTS FOUNDATION LIMITED

CASH FLOW STATEMENT

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Donations		44,568,143	44,869,135
Grants		118,354	34,217
Interest		46,965	65,592
Net GST received		3,245,449	5,128,977
Sponsorship		34,773	3,750
Total cash received from operating activities		48,013,684	50,101,671
Cash used			
Grants		(37,396,614)	(44,991,253)
Suppliers and employees		(5,534,455)	(3,474,809)
Total cash used from operating activities		(42,931,069)	(48,466,062)
Net cash from operating activities	8	5,082,615	1,635,609
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		(79,761)	(178,774)
Total cash used		(79,761)	(178,774)
Net cash from investing activities		(79,761)	(178,774)
Net increase in cash held		5,002,854	1,456,835
Cash and cash equivalents at the beginning of the reporting period		18,061,760	16,604,925
Cash and cash equivalents at the end of the reporting period	4A	23,064,614	18,061,760

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

Note 1: Summary of Significant Accounting Policies

Note 2: Expenses

Note 3: Income

Note 4: Financial Assets

Note 5: Non-financial assets

Note 6: Liabilities

Note 7: Reserves

Note 8: Cash Flow Reconciliation

Note 9: Directors' Remuneration

Note 10: Related Party Disclosures

Note 11: Key Management Personnel

Note 12: Members' Funds

Note 13: Remuneration of Auditors

Note 14: Commitments

Note 15: Financial Instruments

Note 16: Contingent Liabilities and Contingent Assets

Note 17: Additional Company Information

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Objective of the Australian Sports Foundation Limited

The Australian Sports Foundation Limited (Sports Foundation) is a public company limited by guarantee. The objective of the Sports Foundation is to assist sporting, community, educational and other eligible organisations to raise funds for the development of sport in Australia.

The Sports Foundation was established by Section 10 of the *Australian Sports Commission Act 1989*.

1.2 Basis of Preparation of the Financial Report

The Sports Foundation is a Commonwealth company as defined in the *Public Governance, Performance and Accountability Act 2013* and is subject to the *Corporations Act 2001*.

This financial report is a General Purpose Financial Report prepared in accordance with the *Corporations Act 2001* and the Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of this Financial Report are presented below and have been consistently applied unless stated otherwise.

This financial report also complies with the Australian Equivalents to International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board and Interpretations.

The Financial Report has been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. These accounting policies have been consistently applied and are consistent with those of the previous year. The Financial Report is presented in Australian dollars and values.

Unless alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the Statement of Financial Position when, and only when, it is probable that future economic benefits will flow to the Foundation or a future sacrifice of economic benefits will be required, and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities that are unrecognised are reported in the Commitments or the Contingencies note.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

The Financial Report was authorised by the Directors of the Sports Foundation on 24 August 2018.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

1.3 New accounting standards

The Sports Foundation has adopted all of the new or amended Accounting standards and interpretations issued by the Australian Accounting Standard Board (AASB) that are mandatory for the current reporting period.

No accounting standards have been adopted earlier than the application date as stated in the standard.

Future Australian Accounting Standard Requirements

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Australian Sports Foundation Ltd for the annual reporting period ending 30 June 2018 are as follows:

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Sports Foundation will adopt this standard from 1 July 2018 and the impact of its adoption is expected to be minimal on the Sports Foundation.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Sports Foundation will adopt this standard from 1 July 2019, but the impact of its adoption is yet to be assessed by the Sports Foundation.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Sports Foundation will adopt this standard from 1 July 2019, but the impact of its adoption is yet to be assessed by the Sports Foundation.

1.4 Significant accounting and judgement estimates

In the process of applying the accounting policies listed in the note, no judgements have been made that have a significant impact on the amounts recorded in the Financial Report.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

1.5 Revenue

Interest revenue is recognised using the effective interest method as set out in *AASB 139 Financial Instruments: Recognition and Measurement*.

Revenue arising from the contribution of assets in the form of donations and grants to the Sports Foundation is recognised when:

- the Sports Foundation obtains control of the contribution or has the right to receive the contribution unconditionally;
- it is probable that the economic benefits comprising the contribution will flow to the entity;
- the amount of the contribution can be reliably measured.

The Sports Foundation receives donations from individual and corporate philanthropists and distributions from ancillary funds. These donations create the funding pool for the Sports Foundation to make discretionary grants to eligible organisations in respect of sporting projects. Donation revenue is recognised when the Sports Foundation receives the transfer of funds from the donor.

The Sports Foundation retains a small percentage of donations to cover administrative overheads. The amounts retained are recognised immediately on receipt of the donation.

1.6 Employee Benefits

Liabilities for short-term employee benefits (as defined in *AASB 119 Employee Benefits*) and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Sports Foundation is estimated to be less than the annual entitlement for sick leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Sports Foundation's employer superannuation contribution rates to the extent that the leave is unlikely to be taken during service rather than paid out on termination. The liability for long service leave has been determined based on the present value of future payments discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

Separation and redundancy

A liability is recognised for separation or redundancy benefit payments. The entity recognises a liability for termination when it has developed a detailed formal plan for the terminations or when an offer is made to an employee and is accepted.

1.7 Grants

The Sports Foundation makes grant payments to registered sporting, community, educational and other eligible organisations, and athletes to facilitate the development of sport in Australia. Grants are made at the discretion of the Sports Foundation and only after meeting criteria set out in its guidelines. Grants are recognised as a liability in the year that the payments relate to.

1.8 Cash

Cash and cash equivalents includes cash on hand and deposits held at call with a bank or financial institution that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.9 Financial Assets

The Sports Foundation classifies its financial assets as receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

1.10 Financial Liabilities

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

1.11 Acquisition of Assets

Assets are recorded at cost on acquisition. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate. Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

1.12 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised at cost in the Statement of Financial Position, except for purchases costing less than \$1,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total or are purchases of computer equipment). The initial cost of an asset includes an estimate of the discounted fair value of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the Foundation using, in all cases, the straight-line method of depreciation.

Depreciation rates applying to each sub-class of depreciable asset are based on the following useful lives:

- Computers 3 to 4 years
- Furniture and Equipment 4 to 10 years.

Impairment

All assets were assessed for impairment at 30 June 2018 and none were found to be impaired.

1.13 Intangibles

The Sports Foundation's intangibles comprise purchased software and internally generated software for internal use. Purchase of intangibles are recognised at cost in the Statement of Financial Position, except for purchases costing less than \$1,000 which are expensed in the year of acquisition (other than when they form part of a group of similar items which are significant in total). These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangibles are amortised on a straight-line basis over its anticipated useful life. The useful lives of the Sports Foundation's intangibles are 2 to 4 years.

1.14 Comparative figures

Comparative figures have been adjusted to conform to changes in presentation in the financial report where required.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

1.15 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of an asset or liability or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.16 Taxation

The Sports Foundation is a not-for-profit organisation and is exempt from income tax under Section 50–45 of the *Income Tax Assessment Act 1997* and sub sections 51(1) of the *Australian Sports Commission Act 1989*. The Sports Foundation is not exempt from Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

1.17 Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the lease term.

1.18 Amendment of Prior Period Error

On 6 February 2018, Australian Sports Foundation (ASF) Limited were audited by the Australian Tax Office (ATO). The ATO made the ASF aware that in June 2017 the GST component for provision for Grants Payable had been included in the June 2017 Business Activity Statement (BAS) instead of the July 2017 BAS. As a result the GST component had been included in the Trade Receivables and Payables of the issued statements for year ending 30 June 2017, consequently overstating these figures.

	FY 2017		
	Original \$	Adjusted \$	Restated \$
Statement of Financial Position (extract)			
ASSETS			
Trade and other receivables	2,072,662	(1,402,115)	670,547
Total financial assets	20,134,422	(1,402,115)	18,732,307
LIABILITIES			
Grants payable	16,288,135	(1,402,115)	14,886,020
Total payables	16,464,801	(1,402,115)	15,062,687

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 2: EXPENSES

	2018 \$	2017 \$
Note 2A: Employee Benefits		
Salaries and related expenses	1,472,438	1,371,651
Total employee benefits	1,472,438	1,371,651
Note 2B: Suppliers		
Goods and services		
Provision of goods and services	695,450	786,673
Sundry expense	8,684	7,998
Bank charges	58,456	90,082
Total supplier expenses	762,590	884,753
Note 2C: Depreciation and amortisation		
Depreciation		
Furniture and equipment	3,486	3,430
Computer hardware	13,818	14,307
Total depreciation	17,304	17,737
Amortisation		
Intangibles – Computer software	8,408	28,066
Intangibles – Website development	103,222	84,592
Total amortisation	111,630	112,658
Total depreciation and amortisation	128,934	130,395

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 3: INCOME

	2018 \$	2017 \$
Note 3A: Sale of Goods and Rendering of Services		
Own-Source Revenue		
Net donations	42,433,367	42,447,111
Retained donations	2,299,265	2,305,016
Gross donations	44,732,632	44,752,127
Sponsorship	34,773	3,750
Grants	118,354	34,217
Total sale of goods and rendering of services	44,885,759	44,790,094

Note 3B: Interest

Deposits	46,965	70,202
Total interest	46,965	70,202

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 4: FINANCIAL ASSETS

	2018 \$	2017 \$
Note 4A: Cash and Cash Equivalents		
Cash on hand or on deposit	23,064,614	18,061,760
Total cash and cash equivalents	23,064,614	18,061,760

Note 4B: Trade and Other Receivables

Goods and services in connection with

External parties	588,382	549,181
Total receivables for goods and services	588,382	549,181

Other receivables:

GST receivable from the Australian Taxation Office	244,108	115,916
Interest	2,545	5,450
Total other receivables	246,653	121,366
Total trade and other receivables (gross)	835,035	670,547

Receivables are expected to be recovered in:

No more than 12 months	835,035	670,547
More than 12 months	-	-
Total trade and other receivables (net)	835,035	670,547

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 5: NON-FINANCIAL ASSETS

	2018 \$	2017 \$
Note 5A: Property Plant & Equipment		
Furniture, fittings, plant and equipment:		
At fair value	23,766	22,939
Accumulated depreciation	(9,644)	(6,157)
Total furniture, fittings plant and equipment	14,122	16,782

Note 5B: Computer hardware

At fair value	50,058	50,058
Accumulated depreciation	(42,106)	(28,288)
Total computer hardware	7,952	21,770

Note 5C: Intangible assets

Software and website development:		
At cost	508,430	429,496
Accumulated amortisation	(360,231)	(248,603)
Total software and website development	148,199	180,893

Note 5D: Reconciliation of the opening and closing balance of non-financial assets (2017/18)

	Furniture, Fittings and Plant equipment	Computer Hardware	Intangible assets	Total
As at 1 July 2017	16,782	21,770	180,893	219,445
Additions	826	-	78,936	79,762
Depreciation/Amortisation	(3,486)	(13,818)	(111,630)	(128,934)
Closing balance 30 June 2018	14,122	7,952	148,199	170,273

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 6: LIABILITIES

	2018 \$	2017 \$
Note 6A: Supplier Payables		
Trade creditors and accruals	77,407	103,588
	77,407	103,588
Supplier payables expected to be settled within 12 months:		
Related entities	-	-
External parties	77,407	103,588
Total supplier payables	77,407	103,588

Note 6B: Other Payables

Employee benefits payable	36,974	73,079
Total other payables	36,974	73,079

All payables are expected to be settled in no more than 12 months

Note 6C: Grants payable

Grants payable	19,280,319	14,886,020
Total grant provision	19,280,319	14,886,020

All grants payable are expected to be settled within one month

Note 6D: Employee Provisions

Leave	66,213	62,140
Total employee provision	66,213	62,140
Employee provisions are expected to be settled		
No more than 12 months	48,630	47,683
More than 12 months	17,583	14,457
Total employee provisions	66,213	62,140

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 7: RESERVES

	2018 \$	2017 \$
Reserves:		
As at start of reporting period	3,847,466	4,185,592
Retained surplus/(loss)	777,848	(338,126)
As at end of reporting period	4,625,314	3,847,466

Nature and purpose of reserves

The reserves represent monies available to fund the development of Sport in Australia after deducting administration costs.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 8: CASH FLOW RECONCILIATION

	2018 \$	2017 \$
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	23,064,614	18,061,760
Statement of Financial Position	23,064,614	18,061,760
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net (cost) of contribution by services	777,848	(338,126)
	777,848	(338,126)
Adjustment for non cash items		
Depreciation/Amortisation	128,934	130,395
Movements in assets/liabilities		
(Increase) Decrease in net receivables	(164,488)	1,298,934
(Increase) Decrease in prepayments	4,235	(17,038)
Increase (Decrease) in supplier payables	(26,181)	43,171
Increase (Decrease) in other payables	(36,105)	68,447
Increase in grants payable	4,394,299	417,716
Increase in employee provision	4,073	32,110
Net cash from operating activities	5,082,615	1,635,609

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 9: DIRECTORS' REMUNERATION

	2018	2017
The number of non-executive Directors of the Sports Foundation included in these figures are shown below in the relevant remuneration bands:		
\$1 to \$29,999	2	2
Total	2	2
	2018	2017
	\$	\$
Total remuneration paid to Directors	36,814	36,814

There are no Executive Directors of the Sports Foundation.

The Directors of the Foundation during the financial year and up to the date of this report were:

Mr Mark William Stockwell	Appointed	1 Jul 2014
Ms Sally May Carbon OAM	Appointed	7 May 2008
Mr Joshua Maurice Liberman	Appointed	28 Jan 2015
Ms Samantha Pearce	Appointed	13 Dec 2016
Mr Timothy Patrick Sheridan	Appointed	1 Sept 2015

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 10: RELATED PARTY DISCLOSURES

Details of Directors' remuneration are set out in Note 9. Apart from the details enclosed in this note, no Director has entered into a contract with the Sports Foundation since the end of the previous financial year and there are no contracts involving Director's interest existing at year end.

Directors are required to register conflicts of interest and are not part of decisions of the Board where there is a real or perceived conflict of interest.

The Sports Foundation did not receive resources free of charge from the Australian Sports Commission in the 2017-18 or in the previous financial year.

The Sports Foundation had entered into a Facilities Agreement with the Australian Sports Commission (ASC) granting access for a fee to specified facilities and services including rent of premise. The Facilities Agreement was renewed in 2016-17 for 4 years and subject to early termination by the ASC with 60 days written notice.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 11: KEY MANAGEMENT PERSONNEL

	2018 \$	2017 \$
Key Management Personnel Remuneration Expense for the Reporting Period		
Short-term employee benefits:		
Salary	734,085	673,667
Leave accrued	25,995	43,304
Performance bonuses	-	-
Total short-term employee benefits	760,080	716,971
Post-employment benefits:		
Superannuation	66,831	83,777
Total post-employment benefits	66,831	83,777
Total key management personnel remuneration expenses	826,911	800,748

For the year ended 30 June 2018 there were 10 people classified as key management personnel (2017:11)

NOTE 12: MEMBERS' FUNDS

The Sports Foundation is incorporated under the *Corporations Act 2001* and is a Public Company limited by guarantee. Every member undertakes to contribute to the property of the Sports Foundation in the event of winding up to an amount not exceeding \$100.

The income and property of the company shall be applied solely towards the promotion of the objectives of the company and not for distribution in any way to the members of the company.

As at 30 June 2018 the Sports Foundation has 5 members (30 June 2017: 5 members).

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 13: REMUNERATION OF AUDITORS

	2018 \$	2017 \$
Financial statement audit services provided to the Sports Foundation	15,500	15,500

No other services were provided by the Auditors of the Financial Report.

NOTE 14: COMMITMENTS

	2018 \$	2017 \$
Non-cancellable operating lease commitments		
- Not later than 1 year	21,690	21,859
- Later than 1 year, not later than 5 years	41,479	83,253
Minimum lease payments payable	63,169	105,112

The Sports Foundation has three operating leases being a photocopier (the lease of the photocopier expires on 10 March 2020) and a premises agreement with the ASC for accommodation (this expires on 30 June 2021).

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 15: FINANCIAL INSTRUMENTS

	2018 \$	2017 \$
Note 15A: Categories of Financial Instruments		
Financial Assets		
Cash and receivables		
Cash and cash equivalents	23,064,614	18,061,760
Trade and other receivables	832,490	670,547
Total cash and receivables	23,897,104	18,732,307
Total financial assets	23,897,104	18,732,307

Financial Liabilities

Financial liabilities measured at amortised cost

Trade creditors	77,407	103,588
Other payables	36,974	73,079
Grants payables	19,280,319	14,886,020
Total financial liabilities measured at amortised cost	19,394,700	15,062,687
Total financial liabilities	19,394,700	15,062,687

Note 15B: Net Gains or Losses on Financial Assets

Bank deposits

Interest revenue	44,420	70,202
Net gains on bank deposits	44,420	70,202
Net gains on financial assets	44,420	70,202

Note 15C: Fair Value of Financial Instruments

The fair value of all financial assets and liabilities of the Sports Foundation equals the carrying value.

Financial assets and liabilities are disclosed in the Statement of Financial Position and related notes.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

Note 15D: Credit risk

The Sports Foundation is exposed to minimal credit risk.

The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables is \$832,490 in 2018 (2017: \$554,631). The Sports Foundation has assessed the risk of the default on payment and has allocated \$Nil in 2018 (2017: \$ Nil) to an impairment loss.

The Sports Foundation has policies and procedures in place to manage its credit risk and holds no collateral to mitigate against credit risk.

	Not past due or impaired		Past due or impaired	
	2018 \$	2017 \$	2018 \$	2017 \$
Cash and cash equivalents*	23,064,614	18,061,760	-	-
Trade and other receivables**	832,490	670,547	-	-
Total	23,897,104	18,732,307	-	-

* Standard & Poor's credit rating:

Bendigo Bank – Long term rating BBB+, short term rating A-2

Westpac Banking Corporation – Long term rating AAA+, short term rating A-1+

** Counter parties without external credit rating are due and payable within 30 days.

Note 15E: Liquidity risk

The Sports Foundation's financial liabilities are payables. The exposure to liquidity risk is based on the notion that the Sports Foundation will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to the internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

The cash flows realised from the financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

Non-derivative financial liabilities and financial asset maturity analysis

	Within 1 year		Total	
	2018 \$	2017 \$	2018 \$	2017 \$
Financial liabilities due for payments				
Trade and other payables (excluding estimated annual leave)	19,394,700	15,062,687	19,394,700	15,062,687
Total expected outflows	19,394,700	15,062,687	19,394,700	15,062,687
Financial assets - cash flows realisable				
Cash and cash equivalents	23,064,614	18,061,760	23,064,614	18,061,760
Trade and term receivables	590,927	554,631	590,927	554,631
Total anticipated inflows	23,655,541	18,616,391	23,655,541	18,616,391
Net (outflow)/inflow on financial instruments	4,260,841	3,553,704	4,260,841	3,553,704

The Sports Foundation has no derivative financial instruments in 2018 (2017:Nil)

Note 15F: Market risk

The Sports Foundation holds basic financial instruments that do not expose the organisation to certain market risk, such as 'currency risk' or 'other price risk'.

Interest rate risk

The interest bearing item on the Sports Foundation's Statement of Financial Position is cash on deposits which is held in a bank account with a floating interest rate.

There are no interest bearing liabilities on the Statement of Financial Position.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2018

NOTE 16: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no quantifiable, unquantifiable or remote contingencies identifiable for the 2017–18 financial year (2016–17; \$Nil).

NOTE 17: ADDITIONAL COMPANY INFORMATION

Australian Sports Foundation Limited is a public company limited by guarantee incorporated and operating in Australia.

The Australian Sports Foundation Limited is a controlling entity of the ASF Community Sports Fund Pty Ltd. The purpose of incorporation of the ASF Community Sports Fund Pty Ltd was to act as Trustee for the Australian Sports Foundation Charitable Trust Fund. As at 30 June 2018, ASF Community Sports Fund Pty Ltd has no assets or liabilities. It is expected to commence operations from 1 January 2019.

Registered name: Australian Sports Foundation Limited

ACN: 008 613 858

ABN: 27 008 613 858

Company Secretary: Ms Dhuse Manogram

Registered Office: Leverrier Street
Bruce ACT 2617

Principal place of business: Leverrier Street
Bruce ACT 2617

APPENDICES

APPENDIX A: CORPORATE GOVERNANCE STATEMENT

CORPORATE STRUCTURE

The Australian Sports Foundation is governed by a Memorandum and Articles of Association, the current version of which was adopted by resolution of the members on 20 April 1998.

The Board Article 6.1 provides the power of appointment of directors to the Minister administering the *Australian Sports Commission Act 1989* (Cth). The Board comprises five non-executive members with terms of appointment not exceeding five years. The Board oversees and approves the operational and strategic activities of the Sports Foundation and meets four times a year.

The Chief Executive Officer reports to the Board and is supported by executive staff members who have expertise in finance, fundraising and marketing

FINANCE, AUDIT AND RISK COMMITTEE

The Board is supported by the Finance, Audit and Risk Committee chaired by a director and three independent members with assurance, risk and legal expertise.

The Board chair nominates members to this committee based on the requirements of the *Public Governance, Performance and Accountability Act 2013* (Cth). This Committee meets regularly with the Chief Executive Officer and Head of Finance and oversees the finance and risk activities and policy matters of the Sports Foundation.

This Committee does not have decision making authority as this rests with the Board pursuant to the Sports Foundation's Articles of Association.

The Chair of the Finance, Audit and Risk Committee reports the activities of the Committee to the Board each time it meets.

EDUCATION AND PERFORMANCE REVIEW

The Sports Foundation maintains a high standard of corporate governance practices to ensure there are appropriate levels of disclosure and accountability. All members of the Board and the Finance, Audit and Risk Committee are appropriately qualified.

Each Director and member of the Finance, Audit and Risk Committee are subject to performance review by the Chair of the Board and Chair of the Finance, Audit and Risk Committee annually.

ETHICS AND RISK MANAGEMENT POLICIES

In addition, the Sports Foundation maintains appropriate ethics and risk management policies to assist in the administration of the activities and practices and these are subject to regular review.

PRIVACY AND DATA MANAGEMENT

The Sports Foundation Privacy Policy can be found here and is in compliance with Privacy Breach Notification Law.

MINISTERIAL DIRECTION

For the 2017–2018 reporting period, the Hon. Bridget McKenzie was the Minister responsible for Sport.

APPENDIX B: LIST OF REQUIREMENTS

This report complies with the mandatory requirements for the content of annual reports as prescribed by the *Public Governance, Performance and Accountability Rule 2014* in section 17BE in Subdivision B –Annual report for corporate Commonwealth entities.

Requirement

Enabling legislation	28
- Legislation establishing the Foundation	28
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Other statutory requirements include the *Work Health and Safety Act 2011* and *Environment Protection and Biodiversity Conservation Act 1999*.

The Sports Foundation operates from premises at the Australian Institute of Sport that are leased from the Australian Sports Commission (ASC). As such, compliance with these regulations is a requirement of its tenancy agreement, and is monitored by the ASC. As at 30 June 2018, the Sports Foundation had no investigations or notifiable incidents recorded.

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