

2016



2017

Australian
Sports
Foundation

ANNUAL
REPORT

Australian Sports Foundation
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**THE AUSTRALIAN
SPORTS FOUNDATION'S
MISSION IS**

**TO FUNDRAISE FOR
AUSSIE SPORT.**

OUR VISION IS

**TO BUILD A HEALTHIER,
SPORTIER AND MORE
INCLUSIVE AUSTRALIA.**

The Hon Greg Hunt MP
Minister for Sport
Minister for Health
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 2017. 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. It has been prepared based on properly maintained records that accordingly reflect the performance of the Sports Foundation and 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. I hereby submit this report to you as a true and accurate record of our compliance and achievements.

Yours sincerely



Mark Stockwell
Chair
Australian Sports Foundation

9 October 2017

2016-2017 HIGHLIGHTS

In the 2016/17 financial year,
donations to sport increased from \$32 million to

A RECORD BREAKING \$44.75 MILLION

The number of Aussies who donated almost doubled from last financial year, with 19,172 donations made to support the sports we play, watch, and love.

1,149 ORGANISATIONS

AND 179 ATHLETES

fundraising for 2,328 projects
(almost 1000 more than last year).

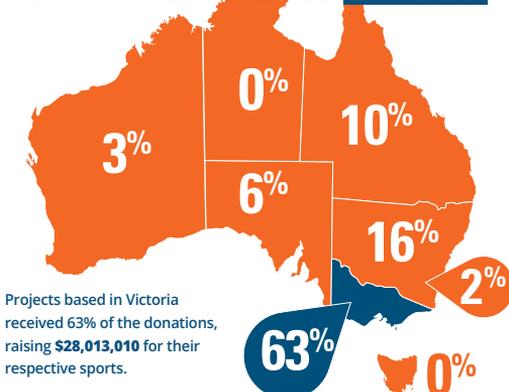


AVERAGE \$\$\$ RAISED

PER ORGANISATION

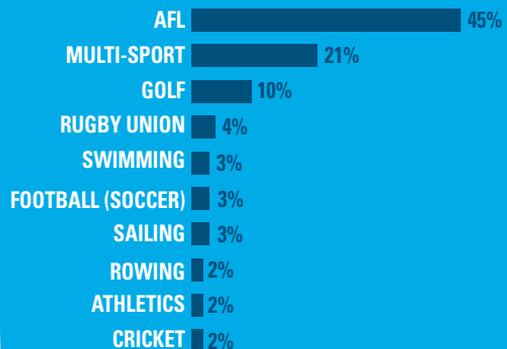


DONATIONS RECEIVED BY STATE



Projects based in Victoria received 63% of the donations, raising \$28,013,010 for their respective sports.

10 HIGHEST GROSSING SPORTS



OUR HIGHEST GROSSING ORGANISATION RAISED A MAMMOTH

\$5,134,680

TWO ORGANISATIONS RAISED OVER

\$4,000,000

SEVEN ORGANISATIONS RAISED OVER

\$1,000,000



BIGGEST ALL STARS

Some sports saw a massive increase in donations compared to last year.



\$2,456,824

Helped fund social inclusion through sport.



FOR THE FIRST TIME EVER, GRASSROOTS SPORTS RECEIVED THE HIGHEST NUMBER OF DONATIONS!

61% OF DONATIONS WERE MADE TO GRASSROOTS CLUBS!
Up from 39% in 2015/16 financial year.

20% of donations were made to peak and professional sports.

19% of donations were made to National and State Sporting Organisations.

MESSAGE FROM THE CHAIR



2017 was a landmark year for the Sports Foundation, as we achieved our third successive year of record donations, raising over \$44.75m for Australian sport in a single 12-month period.

This result has not happened by chance and is due to a lot of hard work from the outstanding and dedicated team at the Sports Foundation coupled with the ambition and strategic leadership of our Board.

It would also not have happened without the hard work and leadership of those who have gone before us over the last 30 years – starting with the Sports Foundation’s very first Board members, who include such business and sporting icons as Kerry Packer, Herb Elliot and Kevan Gosper. More recently, the work of former Board members Alisa Camplin-Warner, Margy Osmond and Sally Carbon (still with us!) who steered the Sports Foundation through its 2013-14 transformation, has been instrumental in our subsequent rapid growth.

The role of the Sports Foundation is becoming increasingly important within the Australian sporting landscape. Donated funds go to sports clubs, schools and organisations all over the country, and at all levels of Australian sport – from the smallest grassroots clubs to our elite and Olympic sports. These donations help fund essential projects such as improving facilities, purchasing equipment or running pathway programs. More recently, we have

enabled aspiring and representative athletes to partner with us and we now help athletes fundraise for everything from training, coaching and equipment to sports science, travel and nutrition.

The recent growth in community and philanthropic donations to sport comes at a time when funding of Australian sport is very much in the public eye. There is a need to get more funds into high performance sport to remain competitive at international level, while grassroots funding needs are evident in almost every sport. Added to this is the ongoing decline of sport in schools. A study by the Independent Sports Panel found that only 35% of primary schools and just 57% of secondary schools have a specialist physical education teacher. This means that sports participation in schools is declining. As a result, around 81% of our children do not meet the recommended levels of daily activity, and the current generation’s ‘physical literacy’ is now 10% to 15% lower than their 1980s peers.

This is creating a social and health ‘time-bomb’ for our society and therefore the Sports Foundation is determined to be part of the solution. We have a long term vision aimed at raising \$200m-\$300m a year within 10 years, and helping to fund improved access to sport within schools forms a key part of this.

A handwritten signature in black ink, appearing to read 'Mark Stockwell', written in a cursive style.

Mark Stockwell
Chair

CEO'S REPORT



In 2014, the Sports Foundation embarked on a transformation process designed to raise more money for sport via community and philanthropic donations and we are delighted with the results of that transformation – three years of record donations with growth of 158% in that time, taking donations through the \$20m, \$30m and now \$40m barriers in successive years. We are also excited to have broadened our reach – we are working with hundreds more sports, clubs and schools than ever before to help them raise funds for sporting projects all over Australia.

But 2017 provided many highlights beyond simply the amount of money raised. We broadened our athlete fundraising program, which allows the community to make tax deductible donations in support of specific athletes and saw a terrific uptake from athletes from a range of sports. We were also encouraged with the significant growth in our donor footprint – over 19,000 donations were made to sport via the Sports Foundation, almost double the number in 2016. In addition, most of these donors were contributing to grassroots sports for the first time – 61% of donations were directed at this sector, which is vital for the long-term health of our communities. Our analysis shows that the average grassroots club actively fundraising with us raised over \$28,000 last year – a really meaningful sum at this level and one that can truly increase opportunities for the community to participate in the sport of their choice.

Our digital strategy also proved highly effective – over 80% of all donations are now made online and we see the continued evolution of our digital platform as being vital to enable sport to fundraise effectively in the years ahead.

Turning to the future, our ambition to raise \$200m-\$300m a year within 10 years would see us supporting sport at a level equal to the Federal Government's current annual budget for sport.

Breaking our long-term target down into meaningful steps, our first goal is to achieve donations of \$100m a year by 2020 and we are putting in place the steps to achieve this. Key strategies include establishing a new charitable fund, increasing our focus on raising more funds for sport in schools and increasing our national footprint by opening offices in more major capitals. We currently have a presence in Sydney, Brisbane and Canberra and by extending this, we will be able to better connect with the sporting and philanthropic communities throughout Australia.

My thanks go to our passionate and dedicated team at the Sports Foundation, to our Chair, Mark Stockwell, and Board members, Josh Liberman, Sally Carbon, Tim Sheridan and Sam Pearce, who provide me with inspiration and challenge in equal measure! I would also like to thank our independent Audit Committee members, Rod Balding, Jason Angoletto and Annabelle Williams for their valuable input and support. Finally, and most importantly my thanks go to all of our project partners, donors and supporters. You are making a real difference to Australian sport and I am excited about what we can achieve together in the years ahead.

A handwritten signature in black ink, appearing to read 'Patrick Walker'.

Patrick Walker
CEO

OVERVIEW

OF THE SPORTS FOUNDATION

The Australian Sports Foundation is a public company limited by guarantee in accordance with the *Corporations Act 2001(Cth)*. It is a wholly owned Commonwealth company, established in 1986, and its enabling legislation is the *Australian Sports Commission Act 1989*.

The purpose of the Company is to raise money for the development of sport in Australia.

The Sports Foundation is a Deductible Gift Recipient (DGR) listed by name in Subdivision 30-B of the *Income Tax Assessment Act 1997*. It has a unique role as the DGR for sport in Australia; as sport is not a charitable purpose, it is generally not possible for donors to receive a tax deduction when donating to sport, unless that donation is made to the Sports Foundation. Accordingly, the focus of the Sports Foundation is to raise tax-deductible philanthropic donations from private and corporate donors, as well as Public and Private Ancillary Funds (PAFs), to invest in the development of sport in Australia. Donations received are granted to sports clubs and community organisations throughout Australia to support approved sporting projects and initiatives.



STRATEGIC DIRECTION

The Sports Foundation aims to deliver two key objectives:

To increase donations to sport

To increase the number of fundraising partner projects

In addition, the Sports Foundation aims to ensure an appropriate balance between fundraising for grassroots and community sport, and for the elite level – including State and National Sports and athletes.

Given the need for increased funding for sport at all levels, the Sports Foundation has developed a plan to increase donations to sport to \$100m by the end of 2020. Key objectives to achieve this include:

- Establish a Charitable Fund and obtain a separate DGR listing to enable the Sports Foundation to better access the increasing amount of philanthropic giving that is channelled through Ancillary Funds
- Increase donations to mass participation sports by leveraging the new Community Giving capability
- Roll out Athlete Fundraising to a broader range of athletes, leveraging the 2018 Commonwealth Games and the Tokyo 2020 Olympics
- Streamline processes and promote the opportunity to donate goods and property to enable sport to better access this type of philanthropic giving
- Increase the number of sports clubs and organisations using workplace giving to generate additional pre-tax donations

In addition, the Sports Foundation wishes to further invest in its technology and people to enable it to continually improve the support it can offer to sport throughout Australia.



2017

RESULTS

We are currently working with over 1,100 active organisations and 179 athletes across 2,500 fundraising projects. These, along with many others, have been part of our journey and helping to fundraise over \$345 million dollars for Australian sport since 1986.

FUNDRAISING4SPORT

Our Fundraising4Sport (F4S) program enables grassroots sporting clubs, state and national sporting organisations, schools, councils and community groups, individual athletes, as well as other Australian non-profit organisations, to sign up and fundraise for ANYTHING that will improve their sport, including:

Facility Development

Equipment

Participation

Performance

Hosting a sporting event

Team travel

Representative athlete assistance

Heritage and history

Social Causes – using sport as a vehicle

Community programs

Capital funds



Once a sporting organisation or athlete is signed-up, donations are made to the Sports Foundation, with donors nominating the relevant organisation or athlete as their preferred beneficiary. The monies raised are then granted to the organisation or athlete.

By donating to the organisation or athlete through the Sports Foundation, the donor can take advantage of our unique Deductible Gift Recipient and claim a tax deduction for any donation of \$2 or more.

2017 HIGHLIGHTS INCLUDED

Grassroots sporting organisations received the majority of donations, up from 39% last year to 61%.

The number of sports we support grew to over 60 as we welcomed new sports to the platform including Petanque, Diving, Stock Sport, Gate Ball, Ice Hockey and Equestrian Vaulting.

Victoria saw the biggest increase in donations received, growing by 20% from last financial year.

One of the biggest transformations we witnessed this financial year was the growth of our Athlete Fundraising program. Our Athlete Fundraising program allows athletes who are training and participating to achieve State or National level representation to fundraise to support their sporting needs.



That's a 3513% increase!

The number of Individual Athletes we work with increased from 22 to...

179

Average \$\$ per athlete was \$5,000.



TRAVEL



MEDICAL COSTS



UNIFORMS



EQUIPMENT



COACHING

WHERE ARE OUR ATHLETES?

58%

of our athletes are from NSW and received \$317k donations.

17%

of our athletes are from VIC and received \$93k donations.

12%

of our athletes are from WA and received \$62k donations.

THE IMPACT OF F4S

Funds raised through our F4S program supported a wide range of sports and had a profound impact on the clubs and communities involved, as the examples below illustrate:

Equestrian NSW Olivia Inglis Scholarship Fund – Ride with Olivia

The Olivia Inglis Scholarship was created after the death of young rider Olivia Inglis. Equestrian NSW set up the project in memory of Olivia, in which grants will be awarded annually and provide emerging riders with funding to support their training and competition programme.

Equestrian NSW used the hashtag #RideWithOlivia on social media to generate exposure and raise awareness of the cause. The Facebook campaign reached 23 million people worldwide, with people posting a photo of themselves horse 'riding with Olivia'.

Total donations received: \$161,546



Individual Athlete Kate Phillips – World Transplant Games

After receiving a life-saving Heart and Double Lung Transplant in 2013, Kate was finally able to compete in a sport that she had spent years supporting from the sidelines - Triathlon.

Funds raised through F4S provided financial support to assist with Kate's flights to Spain, uniform costs, strength training and nutrition. Kate reached her fundraising goals and completed the Triathlon in June last year, demonstrating in the international arena just what can be possible post-transplant.

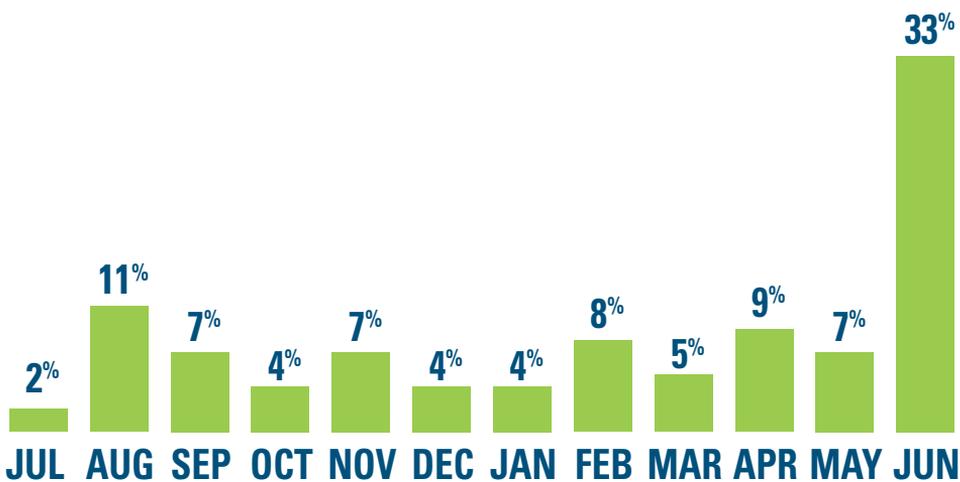
Total donations received: \$4,894

2017 F4S PROJECTS BY STATE OR TERRITORY

State	2016	2017	Growth achieved %
ACT	79	98	24%
NSW	354	513	45%
WA	114	178	56%
NT	6	17	183%
QLD	231	559	142%
VIC	502	666	33%
TAS	43	55	28%
SA	139	240	73%
GRAND TOTAL	1494	2328	56%

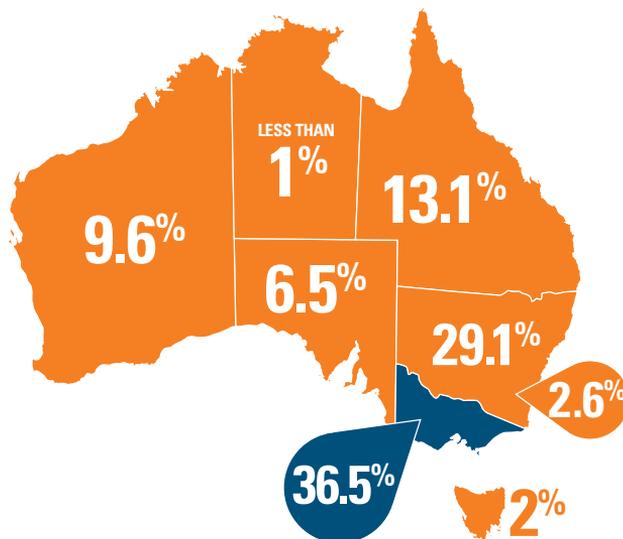
WHEN PEOPLE ARE DONATING

June remains our busiest month for donations and a significant time for charitable giving throughout Australia.



DONATIONS GIVEN BY STATE

Victorian donors proved to be the most generous, with **6,498 donations**, making up 36.5% of all funds raised.



THE AVERAGE DONATION AMOUNT



DONATION AMOUNTS



CORPORATE AND TRUST DONATIONS



1,485 corporate donations were made, totalling

\$10,664,012

215 Trust and Foundation donations were made, totalling

\$10,003,127

Giving 4Grassroots™

Giving4Grassroots™ (G4G™) is the Sports Foundation's national small grants program that funds initiatives and programs aimed at increasing participation in grassroots and community sport throughout Australia.

The objective of the program is to help provide Australians with more access to sport at the grassroots and community level, so that more Australians can benefit from positive impacts of sport such as a healthier lifestyle, social inclusion and the development of teamwork and leadership skills.

In November 2016, we received 546 applications from 60 sports, requesting \$4,700,000 worth of cash grants to fund grassroots projects that supported Active Adults. \$139,534 was granted to 23 projects across all 8 states and territories, helping over 5,000 people enjoy better access to sport.

In March 2017, we received 1,718 applications from 56 sports for our Balls4All grant round. \$1,000,000 was awarded to 1,100 grassroots clubs, community organisations and schools in all 8 states and territories.

G4G™ Case studies

Canberra Off Road Cyclists

Canberra Off Road Cyclists received a grant of \$8800 from the Sports Foundation and have used their funding to host a Mountain Biking Come & Try day.

The Come & Try day saw 52 participants try out the bike trails around Canberra.

Half of the participants signed up to the six-week course after the Come & Try day had finished and Canberra Off Road Cyclists are confident that the cycling camp they are hosting in December is going to further increase overall participation in the sport.



Darwin Basketball Association

Darwin Basketball Association received \$8,000 and ran an 8-week course to encourage participation in basketball across the whole family. By encouraging parents to take an active part in the program, the retention and sign up for the following sessions has been over 75%, compared to 53% when it was just the child participating and adult watching. The interest from parents in coaching and refereeing has also increased due to this program.

83 children participated in the first Darwin Basketball Association program with 126 already signed up for the next. The club's expected targets were exceeded and since the programs inception player participation has grown and the number of parents volunteering to coach and referee has also increased.



Primal Ultimate Frisbee

Primal Ultimate Frisbee Club were granted \$4,500 to host a once-off event to give adults the opportunity to try the sport of ultimate frisbee.

The impact the granted funds had on increasing adult participation in the sport was "fantastic".

The club were wanting to build a one-off event that would lead to sign-ups, but ended up with 93 sign-ups for the weekly league, enabling them to create a whole social league with formed teams and a sustainable competition.

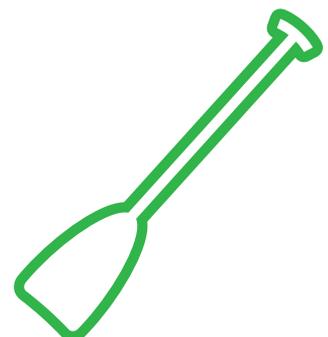


"The impact was enormous, we had hoped to build a once off event that would lead to sign ups instead we ended up with a social league with formed teams and a sustainable competition for ongoing success" - Anna Haynes, PRIMAL Ultimate Club President.

Sunshine Coast Paddlesports Club

The Sunshine Coast Paddlesports Club used their \$2,400 G4G™ grant to fund marketing to create flyers and promotional material made to hand out at activation events.

Since receiving the grant the Sunshine Coast club has recruited 10 new paddlers in the over 50 age group. Paddlesports are a great low impact, low risk water sport and Sunshine Coast Paddlesports Club have noticed a lift in team spirit and involvement in team activities since getting the grant.



RAISING OUR VOICE

2016-2017 was another year of significant growth for the Sports Foundation across audiences, capability and thought leadership.

We continued to lead the way in sports fundraising insights by undertaking the first Australian study aimed at understanding why people give to sport. The subsequent report, released to the market in May, outlined the motivations and decision making process for donors. It also delivered practical advice for fundraisers.

In combination with the annual snapshot publications, this research has created a bedrock of understanding that will underpin and help shape future Sports Foundation research into donors and their relationship with sport.

Our monthly enews audience also grew by 10,000 during the year, reaching 15,000 by the end of June, and we continued to work with our network marketing partners, SportsTG and Clearinghouse for Sport to spread the word and promote key activities and programs.

In addition to this monthly touchpoint for fundraisers, we also commenced quarterly communication with donors. This ongoing touchpoint with donors was initiated in response to feedback received during the donor research, which highlighted donors lack of awareness about how their club or sport partners with the Sports Foundation and what outcomes the Sports Foundation is delivering for all of sport.

Our website continued to provide a dynamic gateway for donors and our fundraising partners. Our site traffic almost doubled to just under 200,000 views in the 12-month financial year period. Online donations increased to 82% and we onboarded hundreds of new fundraising organisations and athletes via our online form - a significant achievement given this was a wholly manual process in 2014.

As we look forward to the coming financial year, our plans include more investment in research and understanding our donor and fundraiser needs, improving our user experiences and continuing to work hard promoting fundraising for sport.



SPORTS COMMUNITY PARTNERS

A special thank you to our Sports Community partners, who supported us through a record breaking year of fundraising for sport.



EXPERTS IN GLOBAL SPORT AND EVENTS

Experts in global sport and events, Keith Prowse Travel specialise in sports packages and itineraries to domestic and international destinations.

By partnering with Keith Prowse Travel, sporting groups and associations can benefit from a dedicated account manager who will not only tailor and personalise tour experiences, but will also manage all tour details from start to finish.

This partnership is all about helping organisations make it easy to plan and organise sport tours, so you can be time efficient and cost effective.



By partnering with STA Travel Sports Alliance organisations signed up with the Sports Foundation can receive donations to their projects any time someone from their organisation travels with STA for business trips, holidays, sporting travel or any kind of travel.

PLUS if any family or friends travel with STA and reference a signed up organisation, a percentage of their total spend will be donated too!

Alliance sporting groups and associations will also have access to STA Travel's exclusive fares and earn even more rewards for their club.

OTHER VALUED SPORTS COMMUNITY PARTNERS







FINANCIAL REPORT

For the year ended 30 June 2017

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

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 2017 and the Auditor's report thereon.

Directors

The Directors of the Sports Foundation at any time during the financial year were:

Name	Experience and special responsibilities
Mr Mark Stockwell (Chair)	<p>Mr Stockwell is an Olympian and a businessman, being the owner of Stockwell, a development, construction, property management and fund management group.</p> <p>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.</p> <p>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.</p> <p>Mr Stockwell is a past President of the Property Council of Australia, Queensland Division and served on the National Board. He is currently a former 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.</p>

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

Name

Ms Sally Carbon OAM, FAICD BA Ed

Experience and special responsibilities

Sally Carbon is the Managing Director of Green Eleven, a strategic planning, marketing and communications company in Western Australia.

She assists client to build and grow, across sectors such as urban renewal, transport, technology, insurance, agriculture, health and tertiary education. She also works with state agencies and local governments.

She is a qualified company director, and Fellow of the Australian Institute of Company Directors.

Sally also sits on the boards of St John Ambulance, and private primary health Apollo Health, UWA's Sport Advisory Council and WA's film industry Screenwest. She was previously the Director of Marketing and Communications at the urban renewal project at Docklands Authority in Melbourne and also sat on the board of the Australian Sports Commission. Sally is a dual Olympian in the sport of hockey and has won an Olympic and World Cup gold medal. She has had seven books and electronic products published.

Ms Carbon's Board appointment was extended for a further 3-year term on 30 April 2015.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

Name

Mr Joshua Liberman, LLB, BComm

Experience and special responsibilities

Mr Liberman is the Chairman of LJCB Investment Group (LJCB). LJCB is private investment business with interests in industries such as property, banking and finance, equities, funds and venture capital.

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 on 28 January 2015.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

Name

Ms Samantha Pearce, BCI

Experience and special responsibilities

Ms Pearce epitomises a new breed of digital leaders and innovators. For over 10 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 Group Account 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.

Samantha 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 on 13 December 2016.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

Name

Mr Timothy Sheridan, BA (C&J)

Experience and special responsibilities

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 2017

Name

Mr John Pearce

Experience and special responsibilities

Mr Pearce was involved in the receivables management industry for the last 47 years prior to retirement in 2013. He was joint founder of listed company, Collection House Limited. During the listed period of Collection House he held the positions of CEO, Managing Director, Deputy Chair and Chairman of the company between 2000 and 2013 at various times.

Mr Pearce has spent his life with a keen interest in sport, including having a significant involvement in establishing The Peter Burge 11 in partnership with Queensland Cricket, The Lethal Lions Coterie Group at The Brisbane Lions Football Club and the Bulls Masters in Queensland. Previously, Mr Pearce was Number 1 Ticket Holder of The Brisbane Lions from 2002 until 2008 and was appointed Patron of the Club in 2015. He is also The Patron of The Brisbane Lions Foundation. He was appointed a Life Member of The Brisbane Lions in 2008.

Over the years Mr Pearce has founded The Brisbane Lions Foundation, The Financial Basics Foundation and The Rutherglen Cemetery Foundation, and is keenly interested in the Philanthropic areas of sport, including financial support of The Queensland Sports Federation.

Mr Pearce was appointed to the Board as Director of the Sports Foundation on 30 April 2015 and resigned on the 5 November 2016.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

Directors' meetings

Five Directors' meetings and seven 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	5		
Sally Carbon OAM	5	5	7	7
Josh Liberman	4	5		
Samantha Pearce	1	2		
Timothy Sheridan	4	5		
John Pearce	1	2		

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 course of 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 ancillary funds and makes discretionary grants to eligible organisations in respect of sporting projects. During the course of the year, a new Athlete Fundraising program was launched, extending support to aspiring and representative athletes.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

Performance Measures

The role of the Sports Foundation is to raise money for the development of sport in Australia, and its key objective is to achieve substantial growth in the amount of money donated. Achieving this growth requires an increase in the number of organisations and athletes that register to fundraise with the Sports Foundation, and an increase in the effectiveness of fundraising campaigns. It also depends upon increased awareness of its role and capabilities within the sport and community sector, and increased awareness among the philanthropic community of the social and community benefits of sport. Accordingly, key performance indicators include the number of organisations that register with the Sports Foundation and the amount of donations received in support of those projects. The Sports Foundation also monitors the effectiveness of its market reach among key sporting and philanthropic stakeholder groups.

Enabling legislation, objectives and functions inherent in that legislation

The Sports Foundation's enabling legislation is the *Australian Sports Commission Act 1989*. The objectives and functions inherent in the Act are that:

- The purpose of the company is to raise money for the development of sport in Australia.
- Except to the extent necessary for the performance of its functions in relation to the Commission, the company is not empowered to do anything that the Commission is not empowered to do.

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 Sports Foundation employs 15 staff (12 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 Brisbane and Sydney.

Factors, events or trends influencing performance

The Sports Foundation continues to deliver a significant increase in both the number of registered projects and the value of donations received during the year, recording a new record for philanthropic donations to sport for the third year in a row.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

Risks and opportunities in future years

Business activity is expected to continue trending upwards. The Sports Foundation's fundraising capabilities will continue to be strengthened, with continued focus on enhancing its customer relationship management system using digital strategy and marketing and thought leadership programs to provide ongoing opportunities to increase the amount of money donated to sport.

As donations to sport still represent only around 1.5% of all tax-deductible donations in Australia, the Directors consider there is substantial opportunity for continued growth in the years ahead.

State of affairs

The Sports Foundation launched its new Athlete Fundraising Program during the course of the year. For the first time, 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 loss for the year ended 30 June 2017 was \$338,126 (2016 profit of \$239,575).

Dividends

No dividends have been paid or declared during the year and no dividends are proposed. The Sports Foundation is prohibited by its Memorandum and Articles of Association from making any distributions to its members.

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 2017, the total amount that members are liable to contribute if the Sports Foundation is wound up is \$500 (2016: \$500).

Significant developments since the end of the financial year

On the 4th July 2017 the Sports Foundation established the Australian Sports Foundation Charitable Trust Fund and submitted an application to the Commissioner of Australian Charities and Not-for-profits Commission to register the Trust as a charity. The purpose of the establishment of the fund as a registered charity was to broaden the reach of donations to sport in the philanthropic sector, and to enable the Sports Foundation to better support charitable causes where sport is used as a vehicle for positive social change.

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

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

Future likely developments

The Sports Foundation's newly-established Charitable Fund will enable a broader focus on helping sport access funding from Ancillary Funds in the years ahead. In addition, strong growth is anticipated in its Athlete Fundraising program.

The Sports Foundation is looking to expand its footprint, and establish a permanent presence in all major State Capitals to enable it to better support sport throughout Australia. As its footprint grows, the Sports Foundation is proposing to further develop relationships with potential partners and sponsors who may wish to support its work. Any financial contributions that may arise from sponsors would be intended to assist in covering the Sports Foundation's operating costs, or support ongoing improvements in service delivery.

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.

Mr John Pearce resigned as Director on 5 November 2016. Mr Pearce's contribution to the Sports Foundation during his service as Director was gratefully acknowledged by the Board.

Following due process the Minister for Sport appointed Ms Samantha Pearce to the Board as Director on 13 December 2016 who brings additional skills and experience in digital technology to the Board. Ms Pearce's appointment is for a term of three years.

Ms Carbon continues to Chair the Sports Foundations Finance, Audit and Risk Committee and has operated in that capacity throughout 2016/17 year.

Pursuant to the *Public Governance Performance and Accountability Act 2013*, Members of the Finance, Audit and Risk Committee were independently appointed from July 2015 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.

AUSTRALIAN SPORTS FOUNDATION LIMITED

DIRECTORS' REPORT

For the year ended 30 June 2017

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 wilful 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.

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 Canberra (city) this 23rd day of August 2017



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 2017

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 2017 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

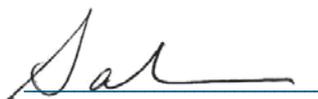
- b) able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Dated at Canberra (city) this 23rd day of August 2017



Mark Stockwell
Board Chair



Sally Carbon OAM
Director



INDEPENDENT AUDITOR'S REPORT

To the members of the Australian Sports Foundation Limited

Opinion

In my opinion, the financial report of the Australian Sports Foundation Limited for the year ended 30 June 2017 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of Australian Sports Foundation Limited's financial position as at 30 June 2017 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial report of the Australian Sports Foundation Limited, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended :

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

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 Statements* section of my report. I am independent of the 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* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). 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.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* 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 the Australian Sports Foundation Limited's ability to continue as a going concern, disclosing matters related to going concern as applicable and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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



Josephine Bushell

Senior Director

Delegate of the Auditor-General

Canberra

23 August 2017



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

**AUSTRALIAN SPORTS FOUNDATION LIMITED FINANCIAL REPORT 2016-17
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 2017, 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

22 August 2017

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

AUSTRALIAN SPORTS FOUNDATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Notes	2017 \$	2016 \$
NET COST OF SERVICES EXPENSES			
Employee benefits	3A	1,371,651	1,243,151
Suppliers	3B	884,753	614,288
Grants	3C	42,811,623	29,827,307
Depreciation and amortisation	3D	130,395	99,631
Total expenses		45,198,422	31,784,377
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Gross donations	4A	44,752,127	31,950,702
Sponsorships	4A	3,750	-
Grants	4A	34,217	41,854
Interest	4B	70,202	31,396
Total own-source revenue		44,860,296	32,023,952
Net contribution by services		(338,126)	239,575
Surplus (loss) on continuing operations		(338,126)	239,575
Total comprehensive income/(loss) attributable to the Australian Government		(338,126)	239,575

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

AUSTRALIAN SPORTS FOUNDATION LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	2017 \$	2016 \$
ASSETS			
Financial assets			
Cash and cash equivalents	5A	18,061,760	16,604,925
Trade and other receivables	5B	2,072,662	1,969,481
Total financial assets		20,134,422	18,574,406
Non-financial assets			
Property, plant and equipment	6A	16,782	20,211
Computer hardware	6B	21,770	23,846
Intangible assets	6C	180,893	127,010
Prepayments		20,541	3,503
Total non-financial assets		239,986	174,570
Total assets		20,374,407	18,748,976
LIABILITIES			
Payables			
Suppliers	7A	103,588	60,417
Other payables	7B	73,079	4,632
Grants payable	7C	16,288,135	14,468,304
Total payables		16,464,801	14,533,353
Provisions			
Employee Provisions	7D	62,140	30,030
Total provisions		62,140	30,030
Total liabilities		16,526,941	14,563,383
Net assets		3,847,466	4,185,593
EQUITY			
Reserves	8	3,847,466	4,185,593
Total equity		3,847,466	4,185,593

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 2017

Notes	2017 \$	2016 \$
Opening balance		
Balance carried forward from previous year	4,185,593	3,946,018
Adjusted opening balance	4,185,593	3,946,018
Comprehensive income		
Other comprehensive income		
Surplus/(loss) for the year	(338,126)	239,575
Total comprehensive income	(338,126)	239,575
Transactions with owners		
Distributions to owners	-	-
Contributions by owners	-	-
Sub-total transactions with owners	-	-
Closing balance as at 30 June	3,847,466	4,185,593

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 2017

	Notes	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Donations		44,869,135	31,825,719
Grants		34,217	41,854
Interest		65,592	30,801
Net GST received		5,128,977	2,669,518
Sponsorship		3,750	-
Total cash received		50,101,671	34,567,892
Cash used			
Grants		(44,991,253)	(31,519,396)
Suppliers and employees		(3,474,809)	(1,994,348)
Total cash used		(48,466,062)	(33,513,744)
Net cash from operating activities	9	1,635,609	1,054,148
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		(178,773)	(98,799)
Total cash used		(178,773)	(98,799)
Net cash from investing activities		(178,773)	(98,799)
Net increase in cash held		1,456,836	955,349
Cash and cash equivalents at the beginning of the reporting period		16,604,925	15,649,576
Cash and cash equivalents at the end of the reporting period	5A	18,061,760	16,604,925

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 2017

Note	1:	Summary of Significant Accounting Policies
Note	2:	Events After the Reporting Period
Note	3:	Expenses
Note	4:	Income
Note	5:	Financial Assets
Note	6:	Non-financial assets
Note	7:	Liabilities
Note	8:	Reserves
Note	9:	Cash Flow Reconciliation
Note	10:	Directors' Remuneration
Note	11:	Related Party Disclosures
Note	12:	Key Management Personnel
Note	13:	Members' Funds
Note	14:	Remuneration of Auditors
Note	15:	Commitments
Note	16:	Financial Instruments
Note	17:	Contingent Liabilities and Contingent Assets
Note	18:	Additional Company Information

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

Note 1: Summary of Significant Accounting Policies

1.1 Objective of the Australian Sports Foundation

The Sports Foundation Limited 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 23rd August 2017.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

1.3 New accounting standards

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

The following standard and amendment has been adopted in the 2017 financial year.

The nature and effect of these changes are disclosed below:

AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation and Amortisation.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities.

The adoption of these amendments did not have any impact on the current period or any prior period (if applicable) and is not likely to affect future periods.

AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities.

The adoption of this amendment requires the inclusion of the Minister of Health and Minister for Sport as a member of Key Management Personnel due to the Ministers capacity to plan, direct and control activities of the Foundation.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

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 2017 are as follows:

Applies Year Ending 30 June	Standard/ Interpretation	Main changes
2018	AASB 2016-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	<p>AASB 2016-2 amends AASB 107 <i>Statement of Cash Flows</i> to require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.</p> <p>Entities are required to disclose the following changes in liabilities arising from financing activities:</p> <ul style="list-style-type: none"> - changes from financing cash flows; - changes arising from obtaining or losing control of subsidiaries or their businesses; - changes in fair values; and - other changes. <p>The above changes in liabilities arising from financing activities may be disclosed in a reconciliation between the opening and closing balances of liabilities arising from financing activities.</p> <p>The potential impact of this standard is unlikely to have a material impact.</p>
2018	AASB 2016-4 <i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	<p>AASB 2016-4 removes references to depreciated replacement cost as a measure of value-in-use for not-for-profit entities from AASB 136 <i>Impairment of Assets</i>.</p> <p>Furthermore, this Standard clarifies that the recoverable amount of assets held primarily for non-cash-generating purposes by not-for-profit entities is expected to be materially the same as fair value determined by current replacement cost valuation technique under AASB 13 <i>Fair Value Measurement</i>.</p> <p>AASB 136 continues to apply to non-cash generating specialised assets measured under the cost model of AASB 116 <i>Property, Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i>.</p> <p>The potential impact of this standard is unlikely to have a material impact.</p>

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

Future Australian Accounting Standard Requirements (continued)

Applies Year Ending 30 June	Standard/ Interpretation	Main changes
2019	AASB 15 <i>Revenue from Contracts with Customers</i>	<p>AASB 15 <i>Revenue from Contracts with Customers</i> specifies the accounting treatment for all revenue arising from contracts with customers (except for lease contracts, insurance contracts and financial instruments).</p> <p>AASB 15 will apply to entities currently applying AASB 118 <i>Revenue</i> and/or AASB 111 <i>Construction Contracts</i>.</p> <p>This Standard uses a five-step model to determine revenue recognition:</p> <ol style="list-style-type: none"> 1. Identify the contract(s). 2. Identify the performance obligations in the contract. 3. Determine the transaction price. 4. Allocate the transaction price. 5. Recognise revenue when a performance obligation is satisfied. <p>AASB 15 requires the incremental costs of obtaining a contract to be recognised as an asset if the entity expects to recover those costs. Costs incurred to fulfil a contract are recognised as an asset if the costs: relate directly to a contract; generate or enhance resources of the entity; and are expected to be recovered.</p> <p>AASB 15 requires disclosure of quantitative and qualitative information about: contracts with customers; significant judgements made in applying the requirements; and assets recognised for the costs of obtaining or fulfilling a contract.</p> <p>On initial application, AASB 15 can be applied retrospectively to each prior period (subject to practical expedients); or retrospectively to uncompleted contracts with cumulative effects recognised as an adjustment to retained earnings.</p> <p>The mandatory effective date of AASB 15 has been deferred by AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> to annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017.</p> <p>The potential impact of this standard is not expected to have a material impact due to the main source of revenue being donations being remitted by donors unconditionally.</p>

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

Future Australian Accounting Standard Requirements (continued)

Applies Year Ending 30 June	Standard/ Interpretation	Main changes
2019	AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	<p>AASB 2014-5 incorporates consequential amendments to a number of the Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 <i>Revenue from Contracts with Customers</i>. The mandatory effective date of this Standard has been deferred by AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date</i> of AASB 15 to annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017.</p> <p>The potential impact of this standard is unlikely to have a material impact.</p>
2019	AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	<p>AASB 2016-3 amends AASB 15 <i>Revenue from Contracts with Customers</i> to clarify:</p> <ul style="list-style-type: none"> - the requirements on identifying distinct performance obligations; - the application of the control principle when assessing whether an entity is a principal or an agent; and - how to determine whether a licence provides the customer with a right to access or a right to use the entity's intellectual property. This Standard includes additional practical expedients on transition to AASB 15. <p>The potential impact of this standard is unlikely to have a material impact.</p>

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

Applies Year Ending 30 June	Standard/ Interpretation	Main changes
2019	AASB 9 <i>Financial Instruments</i> (December 2014)	<p>In December 2014, the Australian Accounting Standards Board issued the final version of AASB 9 <i>Financial Instruments</i>. This new standard supersedes AASB 9 as issued in December 2009 and again in December 2010. This standard incorporates the final requirements from all three phases of the financial instruments project: classification and measurement, impairment and hedge accounting.</p> <p>This Standard introduces a new impairment model based on expected credit losses. The new impairment model does not require a credit event to occur before credit losses are recognised. Furthermore, this Standard introduces a 'fair value through other comprehensive income' measurement category if both of the following conditions are met:</p> <ul style="list-style-type: none"> a) the financial asset is held for both collecting contractual cash flows and selling financial assets; and b) the contractual terms of the financial asset give rise to cash flows that are solely payments of principal. <p>The potential impact of this standard is unlikely to have a material impact on the financial instruments carried currently under the new disclosure requirements.</p>
2020	AASB 16 <i>Leases</i>	<p>AASB 16 <i>Leases</i> removes the classification of leases as either operating or finance for lessees and, instead, introduces a single accounting model that requires lessees to capitalise all leases on the balance sheet by recognising a 'right-of-use' asset and a lease liability for the present value of the obligation.</p> <p>Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) are exempt from the lease accounting requirements.</p> <p>Lessor accounting under AASB 16 remains substantially unchanged from the predecessor standard AASB 117 <i>Leases</i>. Accordingly, lessors continue to classify leases as operating or finance, and account for those two types of leases differently.</p> <p>The potential impact of this standard is unlikely to have a material impact due to the nominal value of one operating lease which expires in 2020.</p>

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

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.

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 2017

1.6 Employee Benefits (continued)

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.

Superannuation

Staff of the Sports Foundation are members of various superannuation schemes.

1.7 Grants

The Sports Foundation makes grant payments to registered sporting, community, educational and other eligible organisations 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.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Receivables

Trade receivables, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate. Receivables are primarily comprised of receivables for goods and services and accrued revenue.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

1.9 Financial Assets (continued)

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period. If there is objective evidence that an impairment loss has been incurred for receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the assets original effective interest rate. The carrying amount of the impaired asset is reduced and the difference recognised as an expense in the Statement of Comprehensive Income.

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.

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.

Revaluation

Following initial recognition at cost, property plant and equipment are carried at fair value. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at reporting date. The regularity of independent valuations depends upon the volatility of movements in the market values for the relevant assets.

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 (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

1.12 Property, plant and equipment (continued)

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

Computers 3-4 years

Furniture and Equipment 4-10 years

Impairment

All assets were assessed for impairment at 30 June 2017 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.

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.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

Note 2: Events after the Reporting Period

On the 4th July 2017 the Sports Foundation established the Australian Sports Foundation Charitable Trust Fund and submitted an application to the Commissioner of Australian Charities and Not-for-profits Commission to register the Trust as a charity. The purpose of the establishment of the fund as a registered charity was to broaden the reach of donations to sport in the philanthropic sector. As at the date of signing the financial statements the application for charitable fund status is under consideration. There were no other subsequent events since 30 June 2017 and up to the date of signing of the financial statements warranting disclosure that had the potential to significantly affect the ongoing structure and financial activities of the Sports Foundation.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

	2017 \$	2016 \$
Note 3: Expenses		
Note 3A: Employee Benefits		
Salaries and related expenses	1,371,651	1,243,151
Total employee benefits	1,371,651	1,243,151
Note 3B: Suppliers		
Goods and services		
Provision of goods and services	786,673	546,745
Sundry expense	7,998	13,165
Bank charges	90,082	54,378
Total supplier expenses	884,753	614,288
Note 3C: Grants		
Public sector:		
Local Governments	636,976	518,677
Private sector:		
Not for profit organisations	42,174,647	29,308,630
Total grants	42,811,623	29,827,307
Note 3D: Depreciation and amortisation		
Depreciation		
Furniture and equipment	3,430	2,272
Computer hardware	14,307	10,753
Total depreciation	17,737	13,025
Amortisation		
Intangibles - Computer software	28,067	28,067
Intangibles - Website development	84,592	58,539
Total amortisation	112,658	86,606
Total depreciation and amortisation	130,395	99,631

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

	2017	2016
	\$	\$
Note 4: Income		
Own-Source Revenue		
Note 4A: Sale of Goods and Rendering of Services		
Net donations	42,447,111	30,410,056
Retained donations *	2,305,016	1,540,646
Gross donations	44,752,127	31,950,702
Sponsorship	3,750	-
Grants	34,217	41,854
Total sale of goods and rendering of services	44,790,094	31,992,556
Note 4B: Interest		
Deposits	70,202	31,396
Total interest	70,202	31,396

* Retained donations previously disclosed as a separate line item in the Statement of Comprehensive Income as Project Admin fees has been reclassified under gross donations to aid and enhance users' understanding and assessment of trends when comparing activity to the annual report from prior periods.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

	2017	2016
	\$	\$
Note 5: Financial Assets		
Note 5A: Cash and Cash Equivalents		
Cash on hand or on deposit	18,061,760	16,604,925
Total cash and cash equivalents	18,061,760	16,604,925
Note 5B: Trade and Other Receivables		
Goods and services in connection with		
External parties	549,181	660,639
Total receivables for goods and services	549,181	660,639
Other receivables:		
GST receivable from the Australian Taxation Office	1,518,031	1,308,002
Interest	5,450	840
Total other receivables	1,523,480	1,308,842
Total trade and other receivables (gross)	2,072,662	1,969,481
Receivables are expected to be recovered in:		
No more than 12 months	2,072,662	1,969,481
More than 12 months	-	-
Total trade and other receivables (net)	2,072,662	1,969,481

All trade and other receivables are not impaired.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

	2017 \$	2016 \$
Note 6: Non-Financial Assets		
Note 6A: Property Plant & Equipment		
Furniture, fittings, plant and equipment:		
At fair value	22,939	22,939
Accumulated depreciation	(6,158)	(2,728)
Total furniture, fittings plant and equipment	16,782	20,211
Note 6B: Computer hardware		
At fair value	50,058	37,827
Accumulated depreciation	(28,288)	(13,981)
Total computer hardware	21,770	23,846
Note 6C: Intangible assets		
Software and website development:		
At cost	429,496	262,952
Accumulated amortisation	(248,603)	(135,942)
Total software and website development	180,893	127,010

Over the next 12 months, property, plant and equipment that have come to the end of their useful life will be disposed of in line with the Foundations capital replacement plan.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

Note 6D: Reconciliation of the opening and closing balance of non-financial assets (2016/17)

	Furniture, Fittings and Plant equipment	Computer Hardware	Intangible assets	Total
	\$	\$	\$	\$
As at 1 July 2016	20,211	23,846	127,010	171,067
Additions	0	12,232	166,544	178,775
Depreciation/Amortisation	(3,430)	(14,307)	(112,657)	(130,395)
Closing balance 30 June 2017	16,782	21,770	180,893	219,445

Reconciliation of the opening and closing balance of non-financial assets (2015/16)

	Furniture, Fittings and Plant equipment	Computer Hardware	Intangible assets	Total
	\$	\$	\$	\$
As at 1 July 2015	11,582	26,702	133,615	171,899
Additions	10,901	7,897	80,001	98,799
Depreciation/Amortisation	(2,272)	(10,753)	(86,606)	(99,631)
Closing balance 30 June 2016	20,211	23,846	127,010	171,067

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

	2017 \$	2016 \$
Note 7: Liabilities		
Note 7A: Supplier Payables		
Trade creditors and accruals	103,588	60,417
	103,588	60,417
Supplier payables expected to be settled within 12 months:		
Related entities	-	-
External parties	103,588	60,417
Total supplier payables	103,588	60,417
Note 7B: Other Payables		
Employee benefits payable	73,079	4,632
Total other payables	73,079	4,632
Total other payables are expected to be settled in:		
No more than 12 months	73,079	4,632
More than 12 months	-	-
Total other payables	73,079	4,632
Note 7C: Grants payable		
Grants payable	16,288,135	14,468,304
Total grant provision	16,288,135	14,468,304
All grants payable are expected to be settled within 1 month		
Note 7D: Employee Provisions		
Leave	62,140	30,030
Total employee provisions	62,140	30,030
Employee provisions are expected to be settled		
No more than 12 months	47,683	30,030
More than 12 months	14,457	-
Total employee provisions	62,140	30,030

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

	2017	2016
	\$	\$
Note 8: Reserves		
Reserves:		
As at start of reporting period	4,185,593	3,946,018
Retained surplus/(loss)	(338,126)	239,575
As at end of reporting period	3,847,466	4,185,593

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 2017

	2017 \$	2016 \$
Note 9: Cash Flow Reconciliation		
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	18,061,760	16,604,925
Statement of Financial Position	18,061,760	16,604,925
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net (cost) of contribution by services	(338,126)	239,575
	(338,126)	239,575
Adjustment for non cash items		
Depreciation/Amortisation	130,395	99,631
Movements in assets/liabilities		
(Increase) in net receivables	(103,182)	(219,983)
(Increase) in prepayments	(17,038)	(3,503)
Increase (Decrease) in supplier payables	43,171	(52,462)
Increase (Decrease) in other payables	68,447	(25,477)
Increase in grants payable	1,819,831	1,010,405
Increase in employee provision	32,110	5,962
Net cash from operating activities	1,635,609	1,054,148

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

	2017	2016
	\$	\$
Note 10: Directors' Remuneration		
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	1
Total	2	1

	2017	2016
	\$	\$
Total remuneration paid to Directors	36,814	19,012

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 Elizabeth Anne Pearce	Appointed	13 Dec 2016
Mr Timothy Patrick Sheridan	Appointed	1 Sept 2015
Mr John Marshall Pearce	Resigned	5 Nov 2016

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

Note 11: Related Party Disclosures

Details of Directors' remuneration are set out in Note 10. 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 2016-17 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 premises. The Facilities Agreement was renewed in 2016-17 for a further 4 years and subject to early termination by the ASC with 60 days written notice.

The following Director of the Sports Foundation was also a Board Member of the Australian Sports Commission:

Mr Mark William Stockwell (Appointed June 2014 and resigned 2 March 2017)

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

	2017 \$	2016 \$
Note 12: Key Management Personnel		
Key Management Personnel Remuneration Expense for the Reporting Period		
Short-term employee benefits:		
Salary	673,667	618,848
Leave accrued	43,304	11,665
Performance bonuses	-	-
Total short-term employee benefits	716,972	630,513
Post-employment benefits:		
Superannuation	83,777	76,595
Total post-employment benefits	83,777	76,595
Total key management personnel remuneration expenses	800,748	707,108

For the year ended 30 June 2017 there were 11 people classified as key management personnel (2016:10)

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

	2017	2016
	\$	\$

Note 13: 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 2017 the Sports Foundation has 5 members (30 June 2016: 5 members).

Note 14: Remuneration of Auditors

Financial statement audit services provided to the Sports Foundation	15,500	9,950
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No other services were provided by the Auditors of the Financial Report.

Note 15: Commitments

Non-cancellable operating lease commitments

- Not later than 1 year	21,859	16,819
- Later than 1 year, not later than 5 years	83,253	7,127
Minimum lease payments payable	105,112	23,947

The Sports Foundation has two 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 2017

	2017	2016
	\$	\$
Note 16: Financial Instruments		
Note 16A: Categories of Financial Instruments		
Financial Assets		
Cash and receivables		
Cash and cash equivalents	18,061,760	16,604,925
Trade and other receivables	554,631	661,479
Total cash and receivables	18,616,391	17,266,404
Total financial assets	18,616,391	17,266,404
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	103,588	60,417
Other payables	73,079	4,632
Total financial liabilities measured at amortised cost	176,667	65,049
Total financial liabilities	176,667	65,049
Note 16B: Net Gains or Losses on Financial Assets		
Bank deposits		
Interest revenue	70,202	31,396
Net gains on bank deposits	70,202	31,396
Net gains on financial assets	70,202	31,396

Note 16C: 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 2017

Note 16D: 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 (2017 \$554,631). The Sports Foundation has assessed the risk of the default on payment and has allocated \$Nil in 2017 (2016: \$ 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.

Credit quality of financial assets not past due or individually determined as impaired

	Not past due or impaired		Past due or impaired	
	2017 \$	2016 \$	2017 \$	2016 \$
Cash and cash equivalents *	18,061,760	16,604,925	0	0
Trade and other receivables **	554,631	661,479	0	0
Total	18,616,391	17,266,404	0	0

* Moodys credit rating:

Bendigo Bank A2, downgraded 19th June 2017 to A3.

Westpac Banking Corporation Aa2, downgraded 19th June 2017 to Aa3.

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

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

Note 16E: 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 managements 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.

Non-derivative financial liabilities and financial asset maturity analysis

	Within 1 year		Total	
	2017 \$	2016 \$	2017 \$	2016 \$
Financial liabilities due for payments				
Trade and other payables (excluding estimated annual leave)	16,464,801	14,533,353	16,464,801	14,533,353
Total expected outflows	16,464,801	14,533,353	16,464,801	14,533,353
Financial assets - cash flows realisable				
Cash and cash equivalents	18,061,760	16,604,925	18,061,760	16,604,925
Trade and term receivables	554,631	661,479	554,631	661,479
Total anticipated inflows	18,616,391	17,266,404	18,616,391	17,266,404
Net (outflow)/inflow on financial instruments	2,151,590	2,733,051	2,151,590	2,733,051

The Sports Foundation has no derivative financial instruments in 2017 (2016:Nil)

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

Note 16F: Market risk

The Sports Foundation holds basic financial instruments that do not expose the organisation to certain market risks, 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 deposit which is held in a bank account with a floating interest rate.

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

The table below details interest rate sensitivity analysis of the Sports Foundation at the reporting date, holding all other variables constant. A 20 basis point change is deemed to be reasonably possible and is used when reporting interest rate risk.

Sensitivity analysis of the risk that the Foundation is exposed to for 2017

	Profit \$	Equity \$
Year ended 30 June 2017		
+/- 0.2% in interest rates	+/- 10,800	0
Year ended 30 June 2016		
+/- 0.2% in interest rates	+/- 5,147	0

No sensitivity analysis has been performed for foreign exchange risk, as the Sports Foundation is not exposed to fluctuations in foreign exchange

The method used to arrive at the possible risk of 20 basis points was based on both statistical and non-statistical analysis. The statistical analysis has been based on the cash rate for the last five years issued by the Reserve Bank of Australia as the underlying dataset. This information is then revised and adjusted for reasonableness under the current economic circumstances.

AUSTRALIAN SPORTS FOUNDATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 June 2017

Note 17: Contingent Liabilities and Contingent Assets

There are no quantifiable, unquantifiable or remote contingencies identifiable for the 2016-17 financial year (2015-16; \$Nil).

Note 18: 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 the sole shareholder and member of the ASF Community Sports Fund Pty Ltd which was incorporated on the 20 June 2017 with no capital. 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 which was settled on the 4th July 2017. As at 30 June 2017 ASF Community Sports Fund Pty Ltd has no assets or liabilities. An application to the Commissioner of Australian Charities and Not-for-profits Commission for charitable status for the Trust was lodged on the 4th July 2017.

Registered name:

Australian Sports Foundation Limited

ACN: 008 613 858

ABN: 27 008 613 858

Company Secretary:

Mr Steven McDonnell (appointed 30 June 2015)

Registered Office:

Leverrier Street

Bruce ACT 2617

Principal place of business:

Leverrier Street

Bruce ACT 2617

APPENDICIES

APPENDIX A: CORPORATE GOVERNANCE

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 Chief Financial Officer 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 practises and these are subject to regular review.

Ministerial Direction

For the 2016-2017 reporting period, the Honourable Greg Hunt MP 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	27
- Legislation establishing the Foundation	27
- Summary of objects and functions	27
- Purposes of the Foundation	7
Responsible Minister	68
Ministerial directions and government policy orders	n/a
Annual Performance Statements	19-67
Significant non-compliance issues with finance law	n/a
Information about the Directors	20-25
- Name	20-25
- Qualifications	20-25
- Experience	20-25
- Number of meeting attended	26
- Executive or non-executive status	68
Organisational structure and location	27
Statement on governance	68
- Board committees and responsibilities	68
- Education and performance review processes	68
- Ethics and risk management policies	68
Related entity transactions	60
Significant activities and changes affecting the Foundation	8-16
Judicial decisions and reviews by outside bodies	n/a
Subsidiaries	n/a
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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 2017, the Sports Foundation had no investigations or notifiable incidents recorded.

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