

# **Football Federation Victoria**

## **Financial Statements**

**For the Year Ended 31 October 2016**



## Statement of profit or loss and other comprehensive income for the year ended 31 October 2016

	Notes	2016 \$	2015 (restated) \$
<b>Continuing operations</b>			
Revenue	2(a)	10,817,850	10,563,379
Other Revenue	2(b), 1(f)	509,827	1,151,787
		<b>11,327,677</b>	<b>11,715,166</b>
Employee benefit expenses	3	(4,404,096)	(4,287,876)
Depreciation and amortisation	3	(336,650)	(333,973)
Finance and borrowing costs	3	(3,332)	(7,100)
Operating expenses	3	(5,170,232)	(4,679,620)
		<b>(9,914,310)</b>	<b>(9,308,569)</b>
		<b>1,413,367</b>	<b>2,406,597</b>
<b>Surplus for the year</b>		<b>1,413,367</b>	<b>2,406,597</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income for the year</b>	<b>1(t)</b>	<b>1,413,367</b>	<b>2,406,597</b>

The accompanying notes form part of these financial statements

## Statement of financial position as at 31 October 2016

		2016 31/10/2016 \$	2015 (restated) 31/10/2015 \$	2014 (restated) 01/11/2014 \$
<b>Current assets</b>				
Cash and cash equivalents	4	4,360,903	3,453,483	1,248,229
Trade and other receivables	5	224,917	207,686	430,500
Other current assets	6	223,154	172,801	159,039
<b>Total current assets</b>		<b>4,808,974</b>	<b>3,833,970</b>	<b>1,837,768</b>
<b>Non-current assets</b>				
Property, plant and equipment	7	1,503,890	1,626,457	1,946,487
Investment property	8	2,400,000	2,400,000	1,800,000
Other non-current assets	6	300,000	150,000	-
<b>Total non-current assets</b>		<b>4,203,890</b>	<b>4,176,457</b>	<b>3,746,487</b>
<b>Total assets</b>		<b>9,012,864</b>	<b>8,010,427</b>	<b>5,584,255</b>
<b>Current liabilities</b>				
Trade and other payables	9,1(t)	1,097,671	1,486,280	1,140,484
Interest bearing loans and borrowings	10	11,300	36,272	75,006
Employee benefits	11	297,856	286,438	336,811
Income in advance	12	359,901	538,192	739,111
<b>Total current liabilities</b>		<b>1,766,728</b>	<b>2,347,182</b>	<b>2,291,412</b>
<b>Non-Current liabilities</b>				
Interest bearing loans and borrowings	10	35,225	46,525	82,797
Employee benefits	11	44,426	19,902	19,825
Other provisions	14	156,300	-	-
<b>Total non-current liabilities</b>		<b>235,951</b>	<b>66,427</b>	<b>102,622</b>
<b>Total liabilities</b>		<b>2,002,679</b>	<b>2,413,609</b>	<b>2,394,034</b>
<b>Net assets</b>		<b>7,010,185</b>	<b>5,596,818</b>	<b>3,190,221</b>
<b>Equity</b>				
Building trust fund		964,079	964,079	964,079
Accumulated surplus		5,236,536	4,066,244	1,951,012
Community football reinvestment fund	1(t)	809,570	566,495	275,130
<b>Total members funds</b>		<b>7,010,185</b>	<b>5,596,818</b>	<b>3,190,221</b>

The accompanying notes form part of these financial statements.

## Statement of changes in members funds for the year ended 31 October 2016

	Building trust fund	Accumulated surplus	Community football reinvestment fund	Total Members Funds
	\$	\$	\$	\$
<b>Balance as at 1 November 2013</b>	964,079	1,446,728	-	2,410,807
Surplus for the year	-	779,414	-	779,414
Transfers	-	(275,130)	275,130	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	504,284	275,130	779,414
<b>Balance as at 31 October 2014</b>	964,079	1,951,012	275,130	3,190,221
Surplus for the year	-	2,406,597	-	2,406,597
Transfers	-	(291,365)	291,365	-
Other comprehensive income	-	-	-	-
Total comprehensive income	964,079	2,115,232	291,365	2,406,597
<b>Balance as at 31 October 2015</b>	964,079	4,066,244	566,495	5,596,818
Surplus for the year	-	1,413,367	-	1,413,367
Transfers	-	(243,075)	243,075	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	1,170,292	243,075	1,413,367
<b>Balance as at 31 October 2016</b>	964,079	5,236,536	809,570	7,010,185

The accompanying notes form part of these financial statements.

## Statement of cash flows for the year ended 31 October 2016

	Notes	2016 \$	2015 (restated) \$
<b>Cash flows from operating activities</b>			
Receipts from registrations, sponsorships, affiliation and other fees		11,439,508	11,194,096
Payments to suppliers and employees		(10,314,683)	(8,881,190)
Finance costs		(3,332)	(7,100)
Interest received		99,266	55,513
<b>Total cash from operating activities</b>	15(a)	<u>1,220,759</u>	<u>2,361,319</u>
<b>Cash flows from investing activities</b>			
Receipts received from investment income		110,681	114,202
Investment property costs		(17,236)	(28,020)
Payments for PPE		(220,512)	(17,241)
Funds advanced for Knox pitch replacement		(150,000)	(150,000)
<b>Net cash used in investing activities</b>		<u>(277,067)</u>	<u>(81,059)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(36,272)	(75,006)
<b>Net cash used in financing activities</b>		<u>(36,272)</u>	<u>(75,006)</u>
<b>Net cash increase in cash and cash equivalents</b>		907,420	2,205,254
<b>Cash and cash equivalents at the beginning of the year</b>		<u>3,453,483</u>	<u>1,248,229</u>
<b>Cash and cash equivalents at the end of the year</b>	4	<u>4,360,903</u>	<u>3,453,483</u>

The accompanying notes form part of these financial statements.

## 1. Statement of Significant Accounting Policies

### a. Corporate Information

The financial report is for Football Federation Victoria Inc. (FFV) as an individual entity and as an Association incorporated in Victoria under the Associations Incorporation Reform Act 2012. The financial report of Football Federation Victoria Inc. was authorised for issue by the Board on 16 February 2017.

### b. Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Reform Act 2012.

### c. Adoption of new and revised Accounting Standards

#### *Changes in accounting policy and disclosures*

Excluding the change in the treatment of disciplinary fines received (refer note 1(t)), the accounting policies adopted in the financial report are consistent with those of the previous financial year.

#### *Accounting Standards or Interpretations issued but not yet effective*

At the date of authorisation of the financial report there were no Standards or Interpretations that were on issue but not yet effective that would affect any of the amounts recognised in the financial report.

### d. Income tax

Football Federation Victoria is exempt from income tax in accordance with the provisions of the Income Tax Assessment Act. Football Federation Victoria is a not-for-profit entity which is established for developing and promoting football within Victoria.

### e. Property, plant and equipment

Each class of property, plant and equipment is carried at cost, less any accumulated depreciation and impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset.

#### *Depreciation*

The depreciable amount of all fixed assets including capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of asset	Depreciation rates	Depreciation basis
Buildings	5%	Straight Line
Darebin football facility	6.25%	Straight Line
Knox football facility	5.3-15%	Straight Line
Leasehold improvements	10 - 33%	Straight Line
Leased motor vehicles	22.5%	Straight Line
Leased office equipment	33%	Straight Line
Motor vehicles	20%	Straight Line
Office equipment and software	17 - 40%	Straight Line
Furniture, fixture and fittings	10 - 33%	Straight Line

The assets' carrying value and useful lives are reviewed, and adjusted if appropriate, at each balance date.

## 1. Statement of Significant Accounting Policies (cont)

### f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

### g. Impairment of assets

At each reporting date, Football Federation Victoria reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets' carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

### h. Trade and Other Receivables

Trade receivables, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

### i. Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to Football Federation Victoria prior to the end of the financial year that are unpaid and arise when Football Federation Victoria becomes obliged to make future payments in respect of the purchase of these goods and services.

### j. Employee benefits

#### *Wages, Salaries and Annual leave*

Liabilities for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that Football Federation Victoria expects to pay as at reporting date including related on-costs, such as workers compensation insurance, superannuation and payroll tax.

#### *Long-term service benefits - Annual Leave and Long Service Leave*

The FFV's net obligation in respect of long-term service benefits, is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Governments bonds at the balance sheet date which have maturity dates approximating to the terms of Football Federation Victoria's obligations.

#### *Superannuation*

The amount charged to the profit or loss in respect of superannuation represents the contributions made by Football Federation Victoria to superannuation funds during the period.

## 1. Statement of Significant Accounting Policies (cont)

### k. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Football Federation Victoria and the revenue can be reliably measured.

#### *Government and Other Grants*

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

#### *Sponsorship revenue*

Sponsorship revenue is recognised over the period to which the sponsorship relates as specified by the sponsorship agreement. Amounts received in advance of the sponsorship period or event are recognised as income in advance.

#### *Rendering of services*

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. When the period of service delivery extends beyond year end, a share of the revenue is recognised as income in advance.

#### *Interest Income*

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established. All revenue is stated net of the amount of goods and services tax (GST).

### l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### m. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership, are transferred to the Association are classified as finance leases. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives made under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.



## 1. Statement of Significant Accounting Policies (cont)

### n. Investment Property

In 2010 the trustees of the Trust Deed dated 24 February 1997 (the "Building Trust") vested the ownership of the investment property at 236 Dorcas St, South Melbourne, to Football Federation Victoria.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, determined on a regular basis by independent valuers and reviewed annually by the board of directors. Changes to fair value are recorded in the Statement of Profit or Loss and Other Comprehensive Income. The fair value of the investment property takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

### o. Financial instruments

#### *Financial assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

The FFV has determined that it does not hold any assets in the above categories except for loans and receivables which are defined below.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or directly in equity. An assessment of whether a financial asset is impaired is made at least at each reporting date. All income and expenses relating to financial assets are recognised in the Statement of Comprehensive Income as a line item "finance income" or "finance costs", respectively.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Football Federation Victoria's trade and other receivables fall into this category of financial instruments.

### p. Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless Football Federation Victoria has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are recognised as an expense when incurred. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

## 1. Statement of Significant Accounting Policies (cont)

### q. Income in Advance

Income is brought to account in the period in which it relates. Income received prior to 31 October 2016 which relates to future periods, has been recorded as income in advance.

### r. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### s. Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### *Estimation Uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

#### *Long Service Leave*

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

#### *Definition of Knox Facility Asset*

The main pitch, the pavilion, the second main pitch upon which the cages are built, the cages, the lights on both pitches and the surrounding carparks and access roads. These facilities are built on land leased from the Knox City Council under a 10-year lease with a five-year option.

#### *Valuation of Knox Facility*

The Knox Football Facility is a key resource utilised by Football Federation Victoria. Whilst the original purpose of the Knox Facility included commercial objectives the prime use of the facility is community based, as over 60% of revenue is generated by Knox resident or club bookings, as well as clubs and community tournaments, Knox residents and the broader football community. The majority of this is priced at less than commercial rates. As a result of this, the future economic benefits of the Knox Football Facility are not primarily dependent on the assets ability to generate net cash inflows. Depreciated replacement cost has therefore been considered by management when assessing impairment of the Knox Football Facility.

#### *Treatment of Knox Facility Lease*

Under the lease agreement, Football Federation Victoria agrees to manage and operate the Knox Facility premises and provide the "management services". Football Federation Victoria has the obligation to manage, operate and maintain the premises and the right to retain all revenue generated from the operation of the premises during the lease term. This includes an obligation to provide access to the facilities to Knox-based football clubs and other Knox-based hirers at a significant discount to market rates. There are no management rights that require any accounting in accordance with Accounting Standards. The Football Centre Knox Asset (note 7) is the sum of the Knox Facility Funding Agreement and Knox Facility Lease Agreement. The Asset is depreciated over the expected initial lease term of 10 years.

## 1. Statement of Significant Accounting Policies (cont)

### *Knox pitch replacement fund*

Under the lease agreement with the Knox City Council, Football Federation Victoria has contracted commitments to contribute towards a future pitch replacement fund at the Knox facility. Football Federation Victoria has no liability for the cost of future pitch replacement providing that it expects to adequately utilise the assets to be created in these future pitch replacements. Football Federation Victoria is not yet able to determine whether it will exercise the option to renew the Knox lease agreement for a further five years at the end of the current lease period, and therefore on this basis, scheduled contributions are recognised as a non-current asset and will be transferred to Property, Plant and Equipment and depreciated when pitch replacement at the Knox facility takes place.

### t. Restatement

During the year, the Federation made a change to the accounting treatment of disciplinary fines received. Previously, these amounts were incorrectly recorded directly in the statement of financial position as a Community reinvestment fund liability. These are now accounted for within the statement of profit and loss with a transfer being made a Community reinvestment reserve fund to indicate the restriction on the use of these funds. This has resulted in a restatement of a number of account balances per below. In these financial statements the restatements have been made as at 1 November 2014 being the earliest comparative period.

<i>Statement of financial position</i>							
Financial Statement Line	Note Line	31-Oct-15		1-Nov-14		1-Nov-14	
		Previously stated	Adjustment	Restated amount	Previously stated	Adjustment	Restated amount
		\$	\$	\$	\$	\$	\$
Trade and Other Payables	Community Football Reinvestment Fund	566,495	(566,495)	-	275,130	(275,130)	-
<i>Statement of Change in Members Funds</i>							
Members Funds	Accumulated Surplus	-	566,495	566,495	-	275,130	275,130

<i>Statement of profit or loss and other comprehensive income</i>				
Financial Statement Line	Note Line	31-Oct-15		31-Oct-15
		Previously stated	Adjustment	Restated amount
		\$	\$	\$
Other income	Fines and Disciplinary Sanctions	-	291,365	291,365
Surplus for the year		2,115,232	291,365	2,406,597

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>2. Revenue</b>		
<b>2(a) Revenue</b>		
- Registration Fees	5,065,716	4,953,118
- Team Entry Fees	2,905,342	2,811,784
- Sponsorships	340,065	359,115
- Grants	1,070,527	1,025,806
- License Fees	18,409	24,545
- Coaching and Development	251,150	108,919
- Fines and Appeal	30,818	7,500
- Referee Levies and Fees	87,606	86,994
- Events	227,724	116,732
- Talented Player Development	428,872	638,207
- Venue and Retail Operations	391,621	430,659
<b>Total Operating Revenue</b>	<b>10,817,850</b>	<b>10,563,379</b>
<b>2(b) Other revenue</b>		
- Rental Income from Investment Property	110,681	114,202
- Other Revenue	56,805	90,707
- Revaluation of Investment Property	-	600,000
- Fines and Disciplinary Sanctions	243,075	291,365
<i>Finance Income</i>		
- Bank Interest	99,266	55,513
<b>Total Other Revenue</b>	<b>509,827</b>	<b>1,151,787</b>

**Football Federation Victoria**  
Notes to the financial statements

	Notes	2016	2015
<b>3. Expenses</b>		<b>\$</b>	<b>\$</b>
<b>Employees benefits expense</b>			
- Salaries and Wages		3,823,674	3,755,828
- Superannuation		344,179	335,303
- Payroll Tax and Workers Compensation		236,243	196,745
		<b>4,404,096</b>	<b>4,287,876</b>
<b>Depreciation of non-current assets</b>			
- State Football Centre Darebin	7	17,345	51,807
- Football Centre Knox	7	201,961	149,440
- Motor Vehicles	7	20,326	21,499
- Computer Systems	7	17,275	32,246
- Sport and Office Equipment	7	79,743	78,981
		<b>336,650</b>	<b>333,973</b>
<b>Finance costs on borrowings</b>			
- Darebin Council Loan		315	3,438
- Bank Interest		3,017	3,662
		<b>3,332</b>	<b>7,100</b>
<b>Operating expense</b>			
- Game Development		631,681	392,793
- Competitions and Events		312,917	489,725
- Referees Administration and Development		253,503	188,977
- Football Operations		1,300,205	1,104,241
- Administration		1,496,038	1,344,135
- IT Expenses		84,706	158,426
- Sponsorship, Marketing and Communications		256,732	68,723
- Talented Player Development		489,221	632,882
- Venue and Retail Operations expense		345,229	299,718
		<b>5,170,232</b>	<b>4,679,620</b>
<b>4. Cash and cash equivalents</b>			
Cash at bank and on hand		<b>4,360,903</b>	<b>3,453,483</b>

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>5. Trade and other receivables</b>		
Trade receivables	231,216	205,316
Provision for doubtful debts	(39,173)	(49,902)
	<b>192,043</b>	<b>155,414</b>
Other receivables	32,874	52,272
	<b>224,917</b>	<b>207,686</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

We have used the following basis to assess the doubtful debt required for trade receivables:

- an individual account by account assessment based on past credit history;
- any prior knowledge of debtor insolvency or other credit risk; and
- working with stakeholders on a monthly basis to assess amounts past due to determine recoverability.

**6. Other assets**

Current - Prepayments	223,154	172,801
Non-Current - Funds advanced for pitch replacement	300,000	150,000

Football Federation Victoria has contracted commitments to a future pitch replacement fund at the Knox facility. Cumulative contributions made to 31 October 2016 total \$300,000 which has been recognised as an asset. The recognition as an asset has been determined on the basis that FFV is not yet able to determine whether it will exercise the option to renew the Knox lease agreement for a further five years at the end of the current lease period, and therefore FFV may expect to enjoy the benefit of the use of the proposed new pitches for their full useful lives. The funds advanced will be transferred to PPE and depreciated when pitch replacement at the Knox facility takes place.

The remaining contracted commitments in relation to the pitch replacement fund are shown in Note 7.

	Notes	2016	2015
<b>7. Property, plant and equipment</b>		<b>\$</b>	<b>\$</b>
<b>Land and Buildings</b>			
State Football Centre - Darebin		830,241	830,241
Accumulated depreciation		<u>(830,241)</u>	<u>(812,896)</u>
		-	17,345
Football Centre - Knox	1(s)	1,598,999	1,598,999
Accumulated depreciation	1(s)	<u>(555,535)</u>	<u>(353,575)</u>
		<u>1,043,464</u>	<u>1,245,424</u>
<b>Total land and buildings</b>		<u><b>1,043,464</b></u>	<u><b>1,262,769</b></u>
<b>Plant and equipment</b>			
Motor vehicles		110,225	111,415
Accumulated depreciation		<u>(43,290)</u>	<u>(50,977)</u>
		<u>66,935</u>	<u>60,438</u>
Computer systems		193,985	189,397
Accumulated depreciation		<u>(178,005)</u>	<u>(160,730)</u>
		<u>15,980</u>	<u>28,667</u>
Sport and office equipment		1,108,463	925,793
Accumulated depreciation		<u>(730,952)</u>	<u>(651,210)</u>
		<u>377,511</u>	<u>274,583</u>
<b>Total plant and equipment</b>		<u><b>460,426</b></u>	<u><b>363,688</b></u>
<b>Total plant and equipment and written down value</b>		<u><b>1,503,890</b></u>	<u><b>1,626,457</b></u>

Football Federation Victoria has contracted commitments to a future pitch replacement fund at the Knox facility. The remaining commitments to the future pitch replacement fund are as follows:

- Not later than one year	150,000	150,000
- Later than one year and not later than five years	265,000	415,000
- Greater than five years		
	<u>415,000</u>	<u>565,000</u>

**7. Property, plant and equipment (cont)**

*Movements in carrying amounts*

<b>2016</b>	<b>State Football Centre - Darebin \$</b>	<b>Football Centre - Knox \$</b>	<b>Motor Vehicles \$</b>	<b>Computer System \$</b>	<b>Sport and Office Equipment \$</b>	<b>Total \$</b>
<b>Balance at beginning of the year</b>	17,345	1,245,424	60,438	28,667	274,583	1,626,457
<b>Additions</b>	-	-	33,254	4,588	182,671	220,513
<b>Disposal</b>	-	-	(6,430)	-	-	(6,430)
<b>Depreciation</b>	(17,345)	(201,960)	(20,327)	(17,275)	(79,743)	(336,650)
<b>Carrying amount at the end of the year</b>	-	1,043,464	66,935	15,980	377,511	1,503,890

<b>2015</b>	<b>State Football Centre - Darebin \$</b>	<b>Football Centre - Knox \$</b>	<b>Motor Vehicles \$</b>	<b>Computer System \$</b>	<b>Sport and Office Equipment \$</b>	<b>Total \$</b>
<b>Balance at beginning of the year</b>	69,152	1,394,864	81,937	56,247	344,287	1,946,487
<b>Additions</b>	-	-	-	4,856	12,386	17,242
<b>Disposal</b>	-	-	-	(190)	(3,109)	(3,299)
<b>Depreciation</b>	(51,807)	(149,440)	(21,499)	(32,246)	(78,981)	(333,973)
<b>Carrying amount at the end of the year</b>	17,345	1,245,424	60,438	28,667	274,583	1,626,457



<b>8. Investment Property</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Investment property - fair value	2,400,000	2,400,000
Balance at beginning of the year	2,400,000	1,800,000
Fair value adjustment	-	600,000
Balance at the end of the year	2,400,000	2,400,000

The Association applies the fair value model in valuing the investment property. A valuation of the association's investment property was last carried out by First Valuation Group on 27 October 2015 as representing the value of the property at an arm's length transaction between willing parties.

**9. Trade Payables**

*Unsecured liabilities*

Trade payables	406,982	483,731
Other payables and accruals	690,689	1,002,549
	1,097,671	1,486,280

**10. Interest bearing loans and borrowings**

**Current**

*Secured liabilities*

Loan - State Football Centre	-	24,599
Loan - CBA Financing	11,300	11,673
	11,300	36,272

**Non-Current**

*Secured liabilities*

Loan - CBA Financing	35,225	46,525
	35,225	46,525

The loan for the State Football Centre commenced in April 2005 and is payable over 10 years to the City of Darebin Council with payments made quarterly in arrears. Interest is charged at 7.25% per annum and is at a fixed rate.

The company motor vehicles act as security for the Commonwealth Bank Australia finance facilities.

**Football Federation Victoria**  
Notes to the financial statements

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>11. Employee benefits</b>		
<i>Current</i>		
Annual leave	232,204	227,736
Long service leave	65,652	58,702
	<b>297,856</b>	<b>286,438</b>
<i>Non-current</i>		
Long service leave	44,426	19,902
	<b>44,426</b>	<b>19,902</b>
(a) Aggregate employee benefits	<b>342,282</b>	<b>306,340</b>
(b) Number of full time equivalent employees at year end	46.3	53.5

**12. Income in Advance**

<i>Current</i>		
Income in Advance	<b>359,901</b>	<b>538,192</b>

**13. Operating Leases**

*Operating Lease Commitments*

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

- Not later than one year	348,859	337,062
- Later than one year and not later than five years	734,775	1,083,634
- Greater than five years	-	-
Total operating lease commitment	<b>1,083,634</b>	<b>1,420,696</b>

Football Federation leases Level 2 & 3, 436 St Kilda Rd as its registered office. The lease is for a period of 10 years, with an option to renew the lease for a further 5 years after that date.

The lease payments for Level 2 & 3, 436 St Kilda Rd, increase annually at a fixed rate of 3.5% per annum.

**14. Other Provisions**

*Non-current*

Make Good provision	<b>156,300</b>	-
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**15. Cash and cash equivalents**

**(a) Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities**

	<b>2016</b>	<b>2015 (restated)</b>
	<b>\$</b>	<b>\$</b>
Surplus for the year	1,413,367	2,406,597
<i>Non cash flows in surplus from ordinary activities</i>		
Depreciation and amortisation	336,650	333,973
Investment income/expenses classified as investment activities	(93,445)	(86,182)
Net (gain) / loss on disposal of property, plant and equipment	6,430	3,299
Change in value of investment property	-	(600,000)
<i>Changes in assets and liabilities:</i>		
Trade and other receivables	(17,231)	222,814
Prepayments	(50,354)	(13,763)
Trade payables and accruals	(388,609)	345,796
Unearned income	(178,291)	(200,919)
Other provisions	156,300	-
Employee provisions	35,942	(50,296)
Net cash and cash equivalents from operating activities	<u>1,220,759</u>	<u>2,361,319</u>

**(b) Credit Standby Arrangements with banks**

Lending facility	732,000	799,000
Amount utilised	-	-
Unused credit facility	<u>732,000</u>	<u>799,000</u>
Overdraft facility	500,000	500,000
Amount utilised	-	-
Unused credit facility	<u>500,000</u>	<u>500,000</u>

*Banking overdraft*

Bank overdraft facility is arranged with the National Australia Bank with the general terms and conditions being set and agreed to annually.

**16. Key management personnel disclosures**

	2016	2015
	\$	\$
<i>Transactions with key management personnel</i>		
The key management personnel compensation included in 'employee expenses' are as follows:	1,169,858	1,040,559

The following changes in the executive team occurred during the year:

- Peter Gome finished his appointment as CEO on 9 June 2016.
- Cathy Acocks held the position as interim CEO from 22 June to 28 October 2016.

**17. Contingencies**

As security for the overdraft facility with the National Australia Bank a mortgage has been registered over the association's investment property. The Board is not aware of any other contingencies that warrant disclosure in the financial report.

**18. Subsequent events**

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

**19. Registered office**

The registered office of the association is:

Football Federation Victoria  
Level 3  
436 St Kilda Road  
Melbourne VIC 3004

**Statement by the Board of Directors**

In the opinion of the Board of Football Federation Victoria the financial report as set out on pages 2 to 20:

- Presents a true and fair view of the financial position of Football Federation Victoria as at 31 October 2016 and its performance for the year ended on that date in accordance with the Australian Accounting Standards-Reduced Disclosure Regime (including the Australian Accounting Interpretations) and the requirements of the Associations Incorporation Reform Act 2012.
- At the date of this statement, there are reasonable grounds to believe that Football Federation Victoria will be able to pay its debts as and when they become due and payable.


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

Director



NICHOLAS TSIRAS.

Director



NIKON TALIAĐOROS

Dated this

10th day of February

2017

## **Independent Auditor's Report to the Members of Football Federation Victoria**

We have audited the accompanying financial report, being a reduced disclosure requirements (RDR) general purpose financial report, of Football Federation Victoria, which comprises the statement of financial position as at 31 October 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in members funds for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement made by the Board of Directors of the entity as set out on pages 2 to 21.

### *Directors' Responsibility for the Financial Report*

The directors are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1, is appropriate to meet the financial reporting requirements of the Associations Incorporation Reform Act 2012 and the Constitution and is appropriate to meet the needs of the Members. The directors' responsibility also includes such internal control as the officers 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the officers, as well as evaluating the overall presentation of the financial report.

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

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

# Deloitte.

## *Opinion*

In our opinion, the financial report gives a true and fair view of the financial position of the federation as at 31 October 2016 and the financial performance for the year then ended in accordance with the financial reporting requirements of the Associations Incorporation Reform Act 2012 and the Constitution as described in Note 1.

## *Basis of Accounting and Restriction on Distribution and Use*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Football Federation Victoria to meet the financial reporting requirements of the Associations Incorporation Reform Act 2012 and the Constitution. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Members and should not be distributed to or used by parties other than the Members.



DELOITTE TOUCHE TOHMATSU



Robert D D Collie

Partner

Chartered Accountants

Melbourne, 16 February 2017