

Football Federation Victoria

**Annual Report
for the financial year ended 31 October 2017**



Special purpose financial statements for the year ended 31 October 2017

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

Opinion

We have audited the financial report of Football Federation Victoria (the "Association") which comprises the statement of financial position as at 31 October 2017, the statement of profit or loss and other comprehensive income, the statement of changes in members funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and statement by the Board of Directors (the "Board").

In our opinion, the accompanying financial report presents fairly, in all material respects, the Association's financial position as at 31 October 2017 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the Associations Incorporation Reform Act 2012.

Basis for Opinion

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

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

Other information

The Board are responsible for the other information. The other information comprises information included in the Association's annual report for the year ended 31 October 2017 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board for the Financial Report

Management and the Board of the Association are responsible for the preparation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the Associations Incorporation Reform Act 2012 for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so. The Board are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial.

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

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

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

Deloitte Touche Tohmatsu

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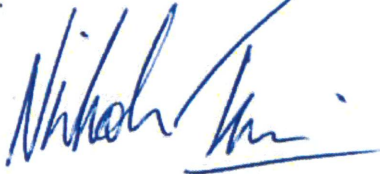
Robert D D Collie
Partner
Chartered Accountants
Melbourne, 16 February 2018

Directors' declaration

In the opinion of the Board of Football Federation Victoria the financial report as set out on pages 4 to 20:

1. Presents a true and fair view of the financial position of Football Federation Victoria as at 31 October 2017 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.
2. 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:

A handwritten signature in blue ink, appearing to read 'Nicholas', is written over a horizontal line.

Director

Melbourne, 16 February 2018

Statement of profit or loss and other comprehensive income for the year ended 31 October 2017

	Notes	2017 \$	2016 \$
Revenue	2(a)	10,626,395	10,817,850
Other Revenue	2(b)	668,275	509,827
Employee benefits expense	3	(4,886,525)	(4,404,096)
Depreciation and amortisation expense	3	(314,166)	(336,650)
Finance and borrowing costs	3	(2,166)	(3,332)
Operating expenses	3	(5,144,151)	(5,170,232)
Surplus for the year		947,662	1,413,367
Other comprehensive income		-	-
Total comprehensive income		947,662	1,413,367

The accompanying notes form part of these financial statements.

Statement of financial position at 31 October 2017

	Notes	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5,174,062	4,360,903
Trade and other receivables	5	381,175	224,917
Other current assets	6	145,594	223,154
TOTAL CURRENT ASSETS		5,700,831	4,808,974
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,238,711	1,503,890
Investment property	8	2,600,000	2,400,000
Other non-current assets	6	450,000	300,000
TOTAL NON-CURRENT ASSETS		4,288,711	4,203,890
TOTAL ASSETS		9,989,542	9,012,864
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	977,452	1,097,671
Interest bearing loans and borrowings	10	-	11,300
Employee benefits	11	295,187	297,856
Income in advance	12	549,524	359,901
TOTAL CURRENT LIABILITIES		1,822,163	1,766,728
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	10	-	35,225
Employee benefits	11	48,532	44,426
Other provisions	14	161,000	156,300
TOTAL NON-CURRENT LIABILITIES		209,532	235,951
TOTAL LIABILITIES		2,031,695	2,002,679
NET ASSETS		7,957,847	7,010,185
MEMBERS' FUNDS			
Building Trust Fund		964,079	964,079
Accumulated surplus		5,937,473	5,236,536
Community Football reinvestment fund		1,056,295	809,570
TOTAL MEMBERS FUNDS		7,957,847	7,010,185

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 31 October 2017

	Building Trust Fund \$	Accumulated surplus \$	Community reinvestment fund \$	Total Members Funds \$
Balance at 31 October 2015	964,079	4,066,244	566,495	5,596,818
Surplus for the year	-	1,413,367	-	1,413,367
Transfer	-	(243,075)	243,075	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	1,170,292	243,075	1,413,367
Balance at 31 October 2016	964,079	5,236,536	809,570	7,010,185
Balance at 31 October 2016	964,079	5,236,536	809,570	7,010,185
Surplus for the year	-	947,662	-	947,662
Transfer	-	(246,725)	246,725	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	700,937	246,725	947,662
Balance at 31 October 2017	964,079	5,937,473	1,056,295	7,957,847

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 31 October 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from registrations, sponsorships, affiliation and other fees		11,416,919	11,439,508
Payments to suppliers and employees		(10,551,021)	(10,314,683)
Finance and borrowing costs		(2,165)	(3,332)
Interest received		81,922	99,266
Net cash from operating activities	15(a)	945,655	1,220,759
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts received from investment income		109,184	110,681
Investment property costs		4,960	(17,236)
Payments for plant and equipment		(50,115)	(220,512)
Funds advanced for Knox pitch replacements		(150,000)	(150,000)
Net cash used in investing activities		(85,971)	(277,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(46,525)	(36,272)
Net cash used in financing activities		(46,525)	(36,272)
Net increase in cash and cash equivalents		813,159	907,420
Cash and cash equivalents at beginning of the year		4,360,903	3,453,483
Cash and cash equivalents at end of the year	4	5,174,062	4,360,903

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 registered office of FFV is Level 3, 436 St Kilda Road, Melbourne, VIC 3004.

The financial report of Football Federation Victoria Inc. was authorised for issue by the Board on 16 February 2018.

(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

The accounting policies adopted are consistent with those of the previous financial year.

Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 November 2016.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the entity include:

- AASB 1057 *Application of Australian Accounting Standards* and AASB 2015-9 *Amendments to Australian Accounting Standards – Scope and Application Paragraphs*
- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*

The adoption of these standards did not have a material financial impact on the current or comparative reporting periods.

(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.

1. Significant accounting policies (cont'd)**(e) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost, less any accumulated depreciation and impairment losses. Costs includes 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 sheet date.

(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) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

(j) 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.

1. Significant accounting policies (cont'd)**(k) 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.

(l) 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).

1. Significant accounting policies (cont'd)

(m) 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.

(n) 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.

(o) 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.

(p) 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.

1. Significant accounting policies (cont'd)**(q) 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.

(r) Unearned revenue

Income is brought to account in the period in which it relates. Monies received prior to 31 October 2017 which relates to future periods, has been recorded as Unearned revenue.

(s) Comparative Figures

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

(t) 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. Significant accounting policies (cont'd)

(t) Significant management judgement in applying accounting policies

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.

Football Federation Victoria

NOTE 2: REVENUE

2(a) Operating revenue

	2017 \$	2016 \$
- Registration fees	5,129,435	5,065,716
- Team entry Fees	2,803,723	2,905,342
- Sponsorships	435,701	340,065
- Grants	927,160	1,070,527
- Licence fees	-	18,409
- Coaching and development	269,204	251,150
- Fines and appeals	4,500	30,818
- Referees levies and fees	74,159	87,606
- Events	277,072	227,724
- Talented player development	430,255	428,872
- Venue and retail operations	275,186	391,621
	10,626,395	10,817,850

2(b) Other Revenue

- Rental Income from Investment Property	109,184	110,681
- Other Revenue	30,444	56,805
- Revaluation of Investment Property	200,000	-
- Fines and disciplinary sanctions	246,725	243,075

Finance Income

- Bank Interest	81,922	99,266
Total other revenue	668,275	509,827

NOTE 3: EXPENSES INCLUDED IN PROFIT OR LOSS

Employee benefits expense:

- Salaries and Wages	4,294,389	3,823,674
- Superannuation	358,324	344,179
- Payroll Tax and Workers Compensation	233,812	236,243
	4,886,525	4,404,096

Depreciation of non-current assets:

- State Football Centre Darebin	Note 7	-	17,345
- Football Centre Knox	Note 7	201,961	201,960
- Motor Vehicles	Note 7	19,529	20,327
- Computer Systems	Note 7	19,600	17,275
- Sport and Office Equipment	Note 7	73,076	79,743
		314,166	336,650

Finance costs and borrowings paid:

- Darebin Council Loan	-	315
- Bank interest	2,166	3,017
	2,166	3,332

Football Federation Victoria

	2017 \$	2016 \$
NOTE 3: EXPENSES INCLUDED IN PROFIT OR LOSS (cont)		
Operating Expenses:		
-Game development	526,146	631,681
-Competitions and events	227,665	312,917
-Referees administration and development	313,271	253,503
-Football operations	1,307,317	1,300,205
-Administration	1,628,098	1,496,038
-IT expenses	153,125	84,706
-Sponsorship, marketing and communications	276,387	256,732
-Talented player development	486,821	489,221
-Venue and retail operations expense	225,321	345,229
	5,144,151	5,170,232

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	5,174,062	4,360,903
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NOTE 5: TRADE AND OTHER RECEIVABLES

Trade receivables	493,520	231,216
Provision for doubtful debts	(79,630)	(39,173)
	413,890	192,043
Other receivables	(32,715)	32,874
	381,175	224,917

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.

NOTE 6: OTHER ASSETS

CURRENT

Prepayments	145,594	223,154
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NON-CURRENT

Funds advanced for pitch replacement	450,000	300,000
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Football Federation Victoria has contracted commitments to a future pitch replacement fund at the Knox facility. Cumulative contributions have been made of \$450,000 which are recognised as an asset 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. Therefore, FFV expect to utilise the benefit of the use of the proposed new pitches for their full useful lives. The funds advanced will be transferred to property, plant and equipment and depreciated when the pitch replacement at the Knox facility takes place.

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

Football Federation Victoria

2017
\$

2016
\$

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Land and buildings

State Football Centre – Darebin	830,214	830,214
Less: accumulated depreciation	(830,214)	(830,214)
	-	-
Football Centre - Knox	1,598,999	1,598,999
Less: accumulated depreciation	(757,496)	(555,535)
	841,503	1,043,464
Total land and buildings	841,503	1,043,464

Plant and equipment

Motor vehicles	110,225	110,225
Less: accumulated depreciation	(62,818)	(43,290)
	47,407	66,935
Computer systems	220,189	193,985
Less: accumulated depreciation	(197,605)	(178,005)
	22,584	15,980
Sport and office equipment	1,130,043	1,108,463
Less: accumulated depreciation	(802,826)	(730,952)
	327,217	377,511
Total plant and equipment	397,208	460,426
Total property, plant and equipment	1,238,711	1,503,890

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	115,000	265,000
- greater than five years	-	-
	265,000	415,000

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (cont'd)

2017	State Football Centre – Darebin \$	Football Centre – Knox \$	Motor Vehicles \$	Computer System \$	Sport and Office Equipment \$	Total \$
Balance at the beginning of year	-	1,043,464	66,935	15,980	377,511	1,503,890
Additions	-	-	-	26,204	23,912	50,116
Disposals	-	-	-	-	(1,129)	(1,129)
Depreciation expense	-	(201,961)	(19,529)	(19,600)	(73,076)	(314,166)
Carrying amount at the end of year	-	841,503	47,406	22,584	327,218	1,238,711
2016						
Balance at the beginning of year	17,345	1,245,424	60,438	28,667	274,583	1,626,457
Additions	-	-	33,254	4,588	182,671	220,513
Disposals	-	-	(6,430)	-	-	(6,430)
Depreciation expense	(17,345)	(201,960)	(20,327)	(17,275)	(79,743)	(336,650)
Carrying amount at the end of year	-	1,043,464	66,935	15,980	377,511	1,503,890

NOTE 8: INVESTMENT PROPERTY

Investment property - fair value	2,600,000	2,400,000
	2,600,000	2,400,000
Balance at beginning of the year	2,400,000	2,400,000
Fair value adjustments	200,000	-
Balance at end of the year	2,600,000	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 13 October 2017 as representing the value of the property at an arm's length transaction between willing parties.

NOTE 9: TRADE AND OTHER PAYABLES

Unsecured liabilities		
Trade payables	279,248	406,982
Other payables and accruals	698,204	690,689
	977,452	1,097,671

NOTE 10: INTEREST BEARING LOANS AND BORROWINGS

CURRENT

Loan - CBA Financing	-	11,300
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NON CURRENT

Loan - CBA Financing	-	35,225
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The company motor vehicles acted as security for the Commonwealth Bank Australia finance facilities. During 2017, these loans were fully repaid.

NOTE 11: EMPLOYEE BENEFITS

CURRENT

Annual leave	233,165	232,204
Long service leave	62,022	65,652
	295,187	297,856

NON CURRENT

Long service leave	48,532	44,426
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(a) Aggregate employee benefits	343,719	342,282
(b) Number of full time equivalent employees at year end	49.0	46.3

NOTE 12: INCOME IN ADVANCE

CURRENT

Income in advance	549,524	359,901
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NOTE 13: OPERATING LEASES

Operating Lease Commitments

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

- not later than one year	360,267	348,859
- later than one year and not later than five years	374,508	734,775
- greater than five years	-	-
Total operating lease commitment	734,775	1,083,634

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.

NOTE 14: OTHER PROVISION

NON CURRENT

Make Good Provision	161,000	156,300
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NOTE 15: CASH FLOW INFORMATION

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

Surplus for the year	947,662	1,413,367
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Non-cash flows in surplus from ordinary activities

Depreciation and amortisation	314,166	336,650
Investment income/expenses classified as investment activities	(114,145)	(93,445)
Net (gain) / loss on disposal of property, plant and equipment	1,131	6,430
Change in value of investment property	(200,000)	-

Changes in assets and liabilities:

Trade and other receivables	(156,259)	(17,231)
Prepayment	77,559	(50,354)
Trade payables and accruals	(120,219)	(388,609)
Unearned income	189,623	(178,291)
Other provisions	4,700	156,300
Employee Provisions	1,437	35,942

Net cash and cash equivalents from operating activities	945,655	1,220,759
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NOTE 15: CASH FLOW INFORMATION (cont)

(b) Credit Standby Arrangements with banks

Lending facility	732,000	732,000
Amount utilised	-	-
Unused lending facility	732,000	732,000
Overdraft facility	500,000	500,000
Amount utilised	-	-
Unused overdraft facility	500,000	500,000

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

NOTE 16: KEY MANAGEMENT PERSONNEL DISCLOSURES

Transactions with key management personnel

The key management personnel compensation included in 'employee expenses' are as follows:

1,385,656	1,169,858
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The following changes in the executive team occurred during the year:

- Teresa Kyprianou finished her appointment as Manager of Human Resources on 21 April 2017.
- Christopher Brophy finished his appointment as CFO on 27 April 2017.
- Matthew Annells finished his appointment as General Manager - Football Operations on 27 April 2017.
- Richard Redman finished his appointment as General Manager - Legal & Regulatory on 5 May 2017.
- David Smith finished his appointment as Technical Director on 19 May 2017.
- Maxwell Gratton finished his appointment as CEO on 31 October 2017.
- George Angelopoulos accepted his appointment as Executive Manager - Football on 4 May 2017.
- Anthony Grima accepted his appointment as Executive Manager - Commercial & Corporate Relations on 4 May 2017.
- Leanne Conrad accepted her appointment as Executive Manager - Legal, Regulatory & Finance on 20 June 2017.
- Will Hastie accepted his appointment as Football Strategy & Special Projects on 3 July 2017.
- John-Paul Blandthorn accepted his appointment as Executive Manager - Strategy & Government on 17 July 2017 and will finalise his appointment on 2 March 2018.

NOTE 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.

NOTE 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.