

Football Federation Victoria
Trading as “Football Victoria”

Financial Statements
for the financial year ended 31 October 2018



General Purpose Financial Statements

For the year ended 31 October 2018

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FOOTBALL FEDERATION VICTORIA (FFV) Inc.

Registration No: A0014492Y

Directors Report for the Year Ended 31 October 2018

The Director(s) of Football Federation Victoria ('Football Victoria') present this report for the financial year ended 31 October 2018.

Director(s)

The names of the Directors in office at any time during or since the end of the year include:

Antonella Care
Sezar Jakupi
Reiko Okazaki
Kimon Taliadoros
Nicholas Tsiaras
Hanife Ymer

The Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.

Table of Attendance at Board Meetings

Director	Eligible Meetings	Attended Meetings
Mr. Kimon Taliadoros	7	7
Ms. Antonella Care	7	6
Mr. Nicholas Tsiaras	7	6
Mr. Sezar Jakupi	7	4
Ms. Hanife Ymer	7	5
Ms. Reiko Okazaki	7	6

Review of Operations

In the opinion of the Directors, the Football Victoria operations performed as expected during a year of significant new investment in priority areas, including accelerated activities and advocacy in a State election year, together with enhancing operational capability to underpin medium-long term growth with a focus on the following strategic priorities:

1. Facilities and Infrastructure

Over the period, Football Victoria completed extensive research and released a facilities strategy in partnership with Sports and Recreation Victoria. The report established the need for up to 420 full size equivalent pitches by 2026 to accommodate the expected population growth and demand for football in Victoria.

In support of these findings, Football Victoria made considerable investment in strategic and advocacy resourcing to build a strong narrative and case to local and State Government for increased funding of facilities, infrastructure and programs.

Because of this investment, Football Victoria unlocked State and Local Government funding during the year of \$78M which will benefit 42 projects

throughout Victoria. This was supported by a further \$40M announced before the 2018 state elections by the State Government which will enable new projects to be realised in community facilities and infrastructure over the four (4) years.

This investment in facilities and infrastructure will contribute strongly to meeting the excess demand for players at our clubs and driving increased participation.

The State Government also committed to funding a business case for a State home of football to accommodate the administration and high performance requirements for football in Victoria, including an understanding with Football Federation Australia to incorporate this facility as the Home of the Matildas.

Continued investment is required to both consolidate the progress made to date, and to further leverage the synergies with the Federal government to improve outcomes for football in Victoria.

2. Club Prosperity

Football Victoria made a material investment in dedicated staff and programs to actively guide and support each club within the broader game development framework of football in Victoria.

a) The Club Engagement Program (CEP)

The CEP platform is designed to accommodate the remarkable diversity amongst the 346 clubs and enable Football Victoria to collaborate with each club to craft a tailored operational and strategic roadmap, by:

1. Establishing a platform by which to assess and benchmark clubs;
2. Identifying areas for improvement, prioritising these areas, and creating action plans; and
3. Providing the guidance and resources for clubs to achieve these goals.

It should be noted that the CEP framework has been adopted by FFA as replacement of the National Club Accreditation Scheme, which will be provided to clubs nationwide via an online portal in the coming years.

b) The Club Ambassador Program:

The Club Ambassadors are primarily responsible for the effective delivery of communications, football programs, support and resources to assist clubs meet the onerous demands of operations, administration, planning and troubleshooting.

Football Victoria has recruited specialist staff and provided them with branded Football Victoria vehicles to get #OutandAbout to the clubs throughout Victoria at a time and place of their convenience.

By combining the Club Engagement Program and Club Ambassadors, Football Victoria is collaborating with all clubs in the strategic growth, delivery and prosperity of the sport in Victoria.

Operating Result

In recent years, Football Victoria has generated surpluses and retained these in cash reserves with limited reinvestment. This year we have moved to invest heavily in growing the game in Victoria, while continuing to keep playing and club registration fees stable in 2018.

Given the strategic re-focus and investment, Football Victoria's financial position is a net

deficit of the for the financial year amounting to \$530,943 (2017: Surplus \$947,662).

Significant Changes in the State of Affairs

No significant changes in the association's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the Football Victoria during the financial year was:

- Administration of Football in the State of Victoria

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


After Balance Date Events

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

Signed in accordance with a resolution of the Board of Directors:



Kimon Taliadoros
Director



Nicholas Tsiaras
Director

Dated this 14th day of February 2019

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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 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity 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 gives a true and fair view of the Association's financial position as at 31 October 2018 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 2018 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 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 are 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. Management 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 report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

A handwritten signature in blue ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that reads "Robert D D Collie".

Robert D D Collie

Partner

Chartered Accountants

Melbourne 14 February 2019

Directors' declaration

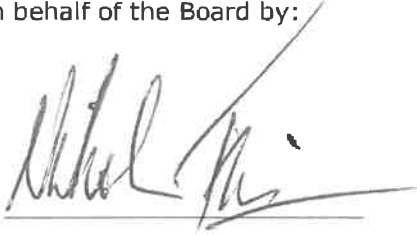
In the opinion of the Board of Football Federation Victoria the financial report as set out on pages 9 to 25:

1. Presents a true and fair view of the financial position of Football Federation Victoria as at 31 October 2018 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:

Director

A handwritten signature in black ink, appearing to be 'Michael King', written over a horizontal line.

Melbourne, ~~14~~ February 2019

Statement of profit or loss and other comprehensive income for the year ended 31 October 2018

	Notes	2018 \$	2017 \$
Revenue	2(a)	11,193,943	10,626,395
Other Revenue	2(b)	523,432	668,275
Employee benefits expense	3	(5,840,132)	(4,886,525)
Depreciation and amortisation expense	3	(363,146)	(314,166)
Finance and borrowing costs	3	(14,558)	(2,166)
Operating expenses	3	(6,030,482)	(5,144,151)
(Deficit)/Surplus for the year		(530,943)	947,662
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(530,943)	947,662

The accompanying notes form part of these financial statements.

Statement of financial position at 31 October 2018

	Notes	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,352,979	5,174,062
Trade and other receivables	5	544,143	381,175
Other current assets	6	192,873	145,594
TOTAL CURRENT ASSETS		5,089,995	5,700,831
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,539,604	1,238,711
Investment property	8	2,600,000	2,600,000
Other non-current assets	6	600,000	450,000
TOTAL NON-CURRENT ASSETS		4,739,604	4,288,711
TOTAL ASSETS		9,829,599	9,989,542
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,062,420	977,452
Employee benefits	10	515,467	295,187
Income in advance	11	132,696	549,524
Borrowings	12	107,848	-
TOTAL CURRENT LIABILITIES		1,818,431	1,822,163
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	12	370,931	-
Employee benefits	10	47,533	48,532
Other provisions	13	165,800	161,000
TOTAL NON-CURRENT LIABILITIES		584,264	209,532
TOTAL LIABILITIES		2,402,695	2,031,695
NET ASSETS		7,426,904	7,957,847
MEMBERS' FUNDS			
Building Trust Fund		964,079	964,079
Accumulated surplus		5,078,605	5,937,473
Community Football reinvestment fund		1,384,220	1,056,295
TOTAL MEMBERS FUNDS		7,426,904	7,957,847

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 31 October 2018

	Building Trust Fund \$	Accumulated surplus \$	Community reinvestment fund \$	Total Members Funds \$
Balance at 31 October 2016	964,079	5,236,536	809,570	7,010,185
Surplus/(deficit) for the year	-	947,662	-	947,662
Transfer in/(out)	-	(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
Balance at 31 October 2017	964,079	5,937,473	1,056,295	7,957,847
(Deficit)/Surplus for the year	-	(530,943)	-	(530,943)
Transfer in/(out)	-	(327,925)	327,925	-
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the year	-	(858,868)	327,925	(530,943)
Balance at 31 October 2018	964,079	5,078,605	1,384,220	7,426,904

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 31 October 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from registrations, sponsorships, affiliation and other fees		11,376,166	11,416,919
Payments to suppliers and employees		(12,009,760)	(10,551,019)
Finance and borrowing costs		(14,558)	(2,165)
Interest received		65,236	81,922
Net cash (used in)/generated from operating activities	14(a)	(582,916)	945,655
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts received from investment income		113,006	109,184
Investment property costs		-	4,960
Payments for plant and equipment		(679,952)	(50,115)
Funds advanced for Knox pitch replacements		(150,000)	(150,000)
Net cash used in investing activities		(716,946)	(85,971)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds/(repayment) of borrowings		478,779	(46,525)
Net cash used in financing activities		478,779	(46,525)
Net (decrease)/increase in cash and cash equivalents		(821,083)	813,159
Cash and cash equivalents at beginning of the year		5,174,062	4,360,903
Cash and cash equivalents at end of the year	4	4,352,979	5,174,062

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 FFV was authorised for issue by the Board on 14 February 2019.

(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.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

(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.

New and amended standards adopted

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 November 2017 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. The group has not elected to apply any pronouncements to the annual reporting period beginning 1 November 2017.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 October 2018 reporting period and have not been early adopted by FFV. FFV's assessment of the impact of these new standards and interpretations is set out below.

AASB 15 Revenue from contracts with customers (Effective date: 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer.

The Group will undertake a more detailed assessment of the impact over the next twelve months, however it is not expected to have a material impact on the FFV's revenue recognition.

AASB 9 Financial instruments (Effective date: 1 January 2018)

AASB 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets (e.g. trade debtors), and new general hedge accounting requirements. The standard allows an irrevocable option to designate realised and unrealised gains through OCI for equities not held for trading, removing the need to test for impairment.

AASB 16 Leases (Effective date: 1 January 2019)

AASB 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed.

AASB 16 will require a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will measure right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.

FFV will undertake a more detailed assessment of the impact over the next twelve months.

1. Significant accounting policies (cont'd)

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting years and on foreseeable future transactions.

(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 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.

1. Significant accounting policies (cont'd)

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.

(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.

1. Significant accounting policies (cont'd)

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).

(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 are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Association at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Association's general policy on borrowing costs.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(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.

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

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.

(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.

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

(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

	2018	2017
	\$	\$
- Registration fees	5,190,806	5,129,435
- Team entry Fees	2,910,589	2,803,723
- Sponsorships	252,835	435,701
- Grants	1,416,050	927,160
- Licence fees	30,000	-
- Coaching and development	198,018	269,204
- Fines and appeals	7,227	4,500
- Referees levies and fees	77,843	74,159
- Events	327,997	277,072
- Talented player development	382,357	430,255
- Venue and retail operations	400,221	275,186
	11,193,943	10,626,395

2(b) Other Revenue

- Rental Income from Investment Property	113,006	109,184
- Other Revenue	17,265	30,444
- Revaluation of Investment Property	-	200,000
- Fines and disciplinary sanctions	327,925	246,725

Finance Income

- Bank Interest	65,236	81,922
Total other revenue	523,432	668,275

NOTE 3: EXPENSES INCLUDED IN PROFIT OR LOSS

Employee benefits expense:

- Salaries and Wages	5,115,444	4,294,389
- Superannuation	450,410	358,324
- Payroll Tax and Workers Compensation	274,278	233,812
	5,840,132	4,886,525

Depreciation of non-current assets:

- State Football Centre Darebin	Note 7	-	-
- Football Centre Knox	Note 7	201,961	201,961
- Motor Vehicles	Note 7	52,969	19,529
- Computer Systems	Note 7	35,266	19,600
- Sport and Office Equipment	Note 7	72,950	73,076
		363,146	314,166

Finance costs and borrowings paid:

- Darebin Council Loan	-	-
- Bank interest	14,558	2,166
	14,558	2,166

Football Federation Victoria

	2018 \$	2017 \$
NOTE 3: EXPENSES INCLUDED IN PROFIT OR LOSS (cont)		
Operating Expenses:		
-Game development	817,491	526,146
-Competitions and events	255,500	227,665
-Referees administration and development	383,637	313,271
-Football operations	1,407,203	1,307,317
-Administration	1,834,035	1,628,098
-IT expenses	187,868	153,125
-Sponsorship, marketing and communications	357,544	276,387
-Talented player development	536,993	486,821
-Venue and retail operations expense	250,211	225,321
	6,030,482	5,144,151

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	4,352,979	5,174,062
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NOTE 5: TRADE AND OTHER RECEIVABLES

Trade receivables	504,212	493,520
Provision for doubtful debts	-	(79,630)
	504,212	413,890
Other receivables	39,931	(32,715)
	544,143	381,175

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	192,873	145,594
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NON-CURRENT

Funds advanced for pitch replacement	600,000	450,000
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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 \$600,000 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

	2018	2017
	\$	\$
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NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
State Football Centre – Darebin	830,241	830,241
Less: accumulated depreciation	(830,241)	(830,241)
	-	-
Football Centre - Knox	1,598,999	1,598,999
Less: accumulated depreciation	(959,457)	(757,496)
	639,542	841,503
	<hr/>	<hr/>
Total land and buildings	639,542	841,503
	<hr/>	<hr/>
Plant and equipment		
Motor vehicles	539,204	110,225
Less: accumulated depreciation	(54,730)	(62,818)
	484,474	47,407
	<hr/>	<hr/>
Computer systems	319,644	220,189
Less: accumulated depreciation	(232,871)	(197,605)
	86,773	22,584
	<hr/>	<hr/>
Sport and office equipment	1,204,590	1,130,043
Less: accumulated depreciation	(875,775)	(802,826)
	328,815	327,217
	<hr/>	<hr/>
Total plant and equipment	900,062	397,208
	<hr/>	<hr/>
Total property, plant and equipment	1,539,604	1,238,711
	<hr/>	<hr/>
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	115,000	150,000
- later than one year and not later than five years	-	115,000
- greater than five years	-	-
	<hr/>	<hr/>
	115,000	265,000
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NOTE 7: PROPERTY, PLANT AND EQUIPMENT (cont'd)

2018	State Football Centre – Darebin	Football Centre – Knox	Motor Vehicles	Computer System	Sport and Office Equipment	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	-	841,503	47,406	22,584	327,218	1,238,711
Additions	-	-	505,950	99,455	74,547	679,952
Disposals	-	-	(15,913)	-	-	(15,913)
Depreciation expense	-	(201,961)	(52,969)	(35,266)	(72,950)	(363,146)
Carrying amount at the end of year	-	639,542	484,474	86,773	328,815	1,539,604

2017						
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

NOTE 8: INVESTMENT PROPERTY

Investment property - fair value	2,600,000	2,600,000
	2,600,000	2,600,000
Balance at beginning of the year	2,600,000	2,400,000
Fair value adjustments	-	200,000
Balance at end of the year	2,600,000	2,600,000

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	427,736	279,248
Other payables and accruals	634,684	698,204
	1,062,420	977,452

NOTE 10: EMPLOYEE BENEFITS

CURRENT

Annual leave	422,510	233,165
Long service leave	92,957	62,022
	515,467	295,187

NON CURRENT

Long service leave	47,533	48,532
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(a) Aggregate employee benefits	563,000	343,719
(b) Number of full time equivalent employees at year end	68	49

NOTE 11: INCOME IN ADVANCE

CURRENT

Income in advance	132,696	549,524
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NOTE 12: BORROWINGS

CURRENT

Finance leases – Motor Vehicles	107,848	-
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NON CURRENT

Finance leases – Motor Vehicles	370,931	-
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NOTE 12(b): OPERATING LEASES

Operating Lease Commitments

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

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

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 13: OTHER PROVISION

NON CURRENT

Make Good Provision	165,800	161,000
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NOTE 14: CASH FLOW INFORMATION

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

Surplus/(deficit) for the year	(530,943)	947,662
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Non-cash flows in surplus from ordinary activities

Depreciation and amortisation	363,146	314,166
Investment income/expenses classified as investment activities	(113,006)	(114,145)
Net (gain) / loss on disposal of property, plant and equipment	15,912	1,131
Change in value of investment property	-	(200,000)

Changes in assets and liabilities:

Trade and other receivables	(162,967)	(156,259)
Prepayment	(47,279)	77,559
Trade payables and accruals	84,968	(120,219)
Unearned income	(416,828)	189,623
Other provisions	4,800	4,700
Employee Provisions	219,280	1,437

Net cash and cash equivalents from operating activities	(582,916)	945,655
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(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 15: KEY MANAGEMENT PERSONNEL DISCLOSURES

Transactions with key management personnel

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

1,489,629	1,385,656
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The following changes in the executive team occurred during the year:

- Peter Filopoulos accepted his appointment as CEO on 21 May 2018.
- Jason Charles accepted his appointment as Executive Manager – Clubs & Communities on 1 March 2018.
- Gary Cole accepted his appointment as Executive Manager – Facilities & Advocacy on 21 May 2018.
- Nina Azzopardi accepted her appointment as Executive Manager - People on 28 May 2018.
- John-Paul Blandthorn finished his appointment as Executive Manager - Strategy & Government on 2 March 2018.

NOTE 16: 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 17: 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.