

**Football Victoria Inc.**  
**(Formerly known as Football Federation Victoria)**

**Financial Statements**  
**for the financial year ended 31 October 2019**



# **General Purpose Financial Statements**

## **For the year ended 31 October 2019**

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## Directors Report for the Year Ended 31 October 2019

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Your directors present this report for Football Victoria Inc. (the "Association") for the financial year ended 31 October 2019.

### Directors

The names of the directors in office at any time during or since the end of the year are:

Kimon Taliadoros  
Antonella Care  
Sezar Jakupi  
Harry Zaitman (Elected 27 March 2019)  
Azmeena Hussain (Elected 27 March 2019)  
Hanife Ymer  
Reiko Okazaki (Term expired on 27 March 2019)  
Nicholas Tsiaras (Term expired on 27 March 2019)

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	% Attendance
Kimon Taliadoros	8	8	100%
Antonella Care	8	8	100%
Sezar Jakupi	8	8	100%
Harry Zaitman	4	4	100%
Azmeena Hussain	4	4	100%
Hanife Ymer	8	8	100%
Reiko Okazaki	4	4	100%
Nicholas Tsiaras	4	4	100%

Gender balance on the Board remains a key objective and was achieved throughout FY19, as it was in FY18.

### Operating Result

The net deficit of FV for the financial year amounted to \$813,966 (2018: Deficit \$530,943). This includes non-cash items with the net cash outflow for the year being \$325k.

The result above included cash costs of \$274k for one-off restructuring and \$878k of strategic and growth initiatives (further detail below in the Review of Operations).

The underlying operating result was a surplus of \$529k.

### Review of Operations

#### Review of Strategy

The investment in growth initiatives and projects commenced in FY18 and has been funded from the cumulative surpluses generated by FV in previous years. FY19 represented the second planned year of investment in strategic initiatives to support the growth of football in Victoria.

In advance of last year's AGM, the Board published its strategic plan – FootbALLways – to consolidate and extend the commitment to pursue the growth priorities through to 2023. The financial forecast and growth plan that maps out the medium-term growth and fiscal outcomes through this period has also been completed.

## Directors Report for the Year Ended 31 October 2019

FY20 and beyond are forecast to return to a surplus financial position, net of existing strategic investments.

FV revenue has increased substantially over the last three budgets - \$5.3m representing growth of 46.6%. We also note that more than 50% of that revenue growth comes from sources other than registration and team entry fees – e.g. grants, broadcast rights, events, commercial sales. This revenue growth provides the basis upon which FV can increase the re-investment in the game to achieve a sustainable growth model into the future.

Our confidence to support these strategic investments is underpinned by a strong and solid balance sheet, with over \$4m in cash reserves and the underlying sustainability of the core operations of FV (see Extract 1 below). For example, the core operations of FV returned a surplus of \$529k in FY19 and are budgeting a surplus of over \$2m in FY20 (as detailed in Extract 1 below).

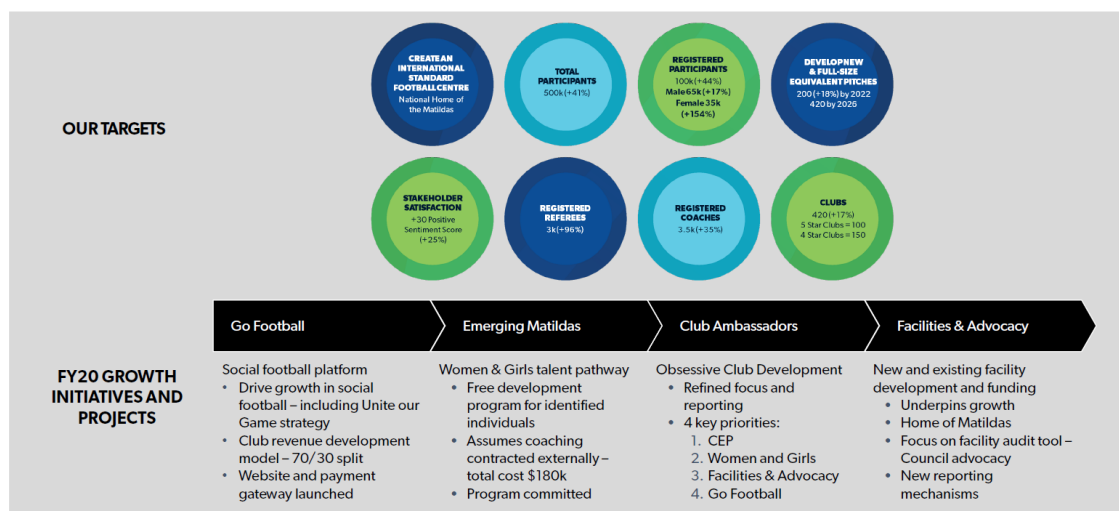
### EXTRACT 1 – Underlying Sustainability

Underlying Financial Sustainability				
	Budget 2020	Actual 2019	Bud'20 vs Act'19	Bud'20 vs Act'19 %
<b>Total Operating Income</b>	<b>15,964,020</b>	<b>13,375,469</b>	<b>2,588,551</b>	<b>19%</b>
<b>Total Operating Expenses</b>	<b>13,938,575</b>	<b>12,846,690</b>	<b>1,091,885</b>	<b>8%</b>
<b>Core Operating Surplus</b>	<b>2,025,445</b>	<b>528,779</b>	<b>1,496,666</b>	<b>283%</b>
<b>Growth Initiatives</b>				
Emerging Matildas	(188,994)	0		
Go Football	1,740	(29,916)		
	(187,254)	(29,916)		
<b>Growth Projects</b>				
Club Ambassadors	(675,450)	(665,000)		
Facilities & Advocacy	(663,750)	(213,000)		
	(1,339,200)	(878,000)		
<b>Operating Surplus / (Deficit)</b>	<b>498,991</b>	<b>(379,137)</b>	<b>878,128</b>	<b>(232%)</b>
Depreciation	(383,619)	(434,829)		
<b>Net Surplus (Deficit)</b>	<b>115,373</b>	<b>(813,966)</b>	<b>929,339</b>	<b>(114%)</b>

The growth initiatives are foundational to the medium-long term prosperity of the game in Victoria. Extract 2 below from the FootbALLways document sets out the FV budget with clear targets, which are supported by regular, detailed reporting to ensure accountability and performance management.

## Directors Report for the Year Ended 31 October 2019

### EXTRACT 2 – Growth Initiatives and Targets



### FY20 Budget

The Budget for FY20 will return FV to a modest surplus financial position with surpluses forecast over the remainder of the FootbALLways period available to be reinvested back into the game - with the ultimate aim of ensuring every person that wishes to play can do so in the state of Victoria.

The alternative to the specific strategic growth investments in our view, will mean that the physical infrastructure and capability of the football platform cannot develop at the required rate to meet the demand and quality.

The FV FootbALLways Strategic Plan sets out the method by which FV is guiding the sport of football in Victoria.

Firstly, whilst FV has funded these growth investments from the cash reserves in FY18 and FY19, this cannot continue indefinitely. Therefore, FV introduced a "Facilities Levy" to subsidise the considerable investment required to achieve the necessary increase in grounds and facilities required. Thus far:

- Football has unlocked in excess of \$240m in government funding, delivering 84 new pitches and is tracking a further 70 projects. However, the target of 420 new pitches over the next 6 years is a significant task.
- The Federal Government has committed \$15m towards funding the Home of the Matildas.
- FV is seeking to establish a state centre to secure the medium-long term administration and high-performance centre for Victorian football.

Secondly, more sustainable and capable clubs are a high priority detailed in the strategic plan. This is necessary to support the growth in participation and across traditional and new football formats, together with meeting the needs of a more diverse football community. The investment made over the last two years in programs distributed through our Club Ambassadors is delivering substantively in relation to these objectives, for example:

- Participation – growth in participation over the last 2 years of 24% in 2018 and 30% in 2019.
- Clubs capability – through the Club Engagement Program the growth in 3 Star to 5 Star clubs at over 45% with the growth in 5 Star clubs to over 10% (from 3% in 2018). This program has now been adopted by the FFA and is being implemented nationally.

## Directors Report for the Year Ended 31 October 2019

Thirdly, our commitment to striving for a 50/50 gender participation balance remains a priority for FV, with a multidimensional strategy that includes:

- Club Ambassadors working with each of the 355 clubs to develop, enhance and support female programs.
- Continuing to foster a pathway for aspirational clubs through the NPLW and players through the Emerging Matildas program.

Fourthly, we maintain a strong commitment to enjoying and promoting our game and are rolling out several improvements and initiatives for the 2020 season, including:

- Game day – investment into key areas including match commissioners and enhanced marshalling standards.
- Culture – various programs including drug education and testing, gambling education and referee education (respect the game).
- Referee program – a focus on continuing to improve referee services including reviews of all games and increased communication with clubs.
- Compliance – match commissioner reporting and regular audits on standards.
- Greater promotion of our game through broadcasts, videography resources and enhanced media presence.

Finally, FV is focussed on attracting, developing and retaining the best staff to service the game, its clubs and constituents in Victoria, as well as identifying and developing the leaders in our clubs, associations and regions.

Our staff are better able to collaborate, plan and implement important improvements, such as the introduction of the recent NPL Junior Boys competitions with the Women's competitions to follow next year, along with the introduction of GoFootball platform for clubs in 2020.

Below is an extract from the FY20 Budget in support of the above.

### EXTRACT 3 – FY20 Budget Alignment to FootbALLways



### Conclusion

Your Board remains committed to our game and the growth required to support the ongoing prosperity of the game we all love.

We thank all Football stakeholders for the opportunity to serve our game and look forward to reporting positive results throughout the coming years ahead.

We wish you all the best as you pursue your goals in the beautiful game.

## Directors Report for the Year Ended 31 October 2019

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### Significant Changes in the State of Affairs

During the financial year, the Association changed its legal name from Football Federation Victoria Inc. to Football Victoria Inc.

### Principal Activities

The principal activities of the Association during the financial year was the Administration of Football in the State of Victoria

### 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 Association, the results of those operations, or the state of affairs of the Association in future financial years.

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



Kimon Taliadoros  
Director



Antonella Care  
Director

Dated this 26<sup>th</sup> day of February 2020

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

### *Opinion*

We have audited the financial report of Football Victoria (the "Association") which comprises the statement of financial position as at 31 October 2019, 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 presents fairly, in all material respects, the Association's financial position as at 31 October 2019 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 2019 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 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*

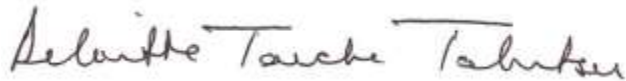
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that 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 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.



DELOITTE TOUCHE TOHMATSU



Robert D D Collie  
Partner  
Chartered Accountants  
Melbourne, 26 February 2020

## **Directors' declaration**

In the opinion of the Board of Football Victoria the financial report as set out on pages 10 to 28:

1. Presents a true and fair view of the financial position of Football Victoria as at 31 October 2019 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 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



Melbourne, 26 February 2020

## Statement of profit or loss and other comprehensive income for the year ended 31 October 2019

	<u>Notes</u>	<u>2019</u> \$	<u>2018</u> \$
Revenue	2(a)	12,955,330	11,193,943
Other Revenue	2(b)	546,270	523,432
Employee benefits expense	3	(6,576,608)	(5,840,132)
Depreciation and amortisation expense	3	(434,829)	(363,146)
Finance and borrowing costs	3	(44,181)	(14,558)
Operating expenses	3	(7,259,948)	(6,030,482)
<b>Deficit for the year</b>		<b>(813,966)</b>	<b>(530,943)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(813,966)</b>	<b>(530,943)</b>

The accompanying notes form part of these financial statements.

## Statement of financial position at 31 October 2019

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	4,027,797	4,352,979
Trade and other receivables	5	380,032	544,143
Other current assets	6	164,860	192,873
<b>TOTAL CURRENT ASSETS</b>		<b>4,572,689</b>	<b>5,089,995</b>
NON-CURRENT ASSETS			
Other non-current assets	6	715,000	600,000
Property, plant and equipment	7	1,206,954	1,539,604
Investment property	8	2,600,000	2,600,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,521,954</b>	<b>4,739,604</b>
<b>TOTAL ASSETS</b>		<b>9,094,643</b>	<b>9,829,599</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	1,153,885	1,062,420
Employee benefits	10	570,264	515,467
Income in advance	11	178,937	132,696
Borrowings	12	118,126	107,848
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,021,212</b>	<b>1,818,431</b>
<b>LIABILITIES</b>			
NON-CURRENT LIABILITIES			
Employee benefits	10	36,888	47,533
Borrowings	12	252,805	370,931
Other provisions	13	170,800	165,800
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>460,493</b>	<b>584,264</b>
<b>TOTAL LIABILITIES</b>		<b>2,481,705</b>	<b>2,402,695</b>
<b>NET ASSETS</b>		<b>6,612,938</b>	<b>7,426,904</b>
<b>MEMBERS' FUNDS</b>			
Building Trust Fund		964,079	964,079
Accumulated surplus		3,960,039	5,078,605
Community Football reinvestment fund		1,688,820	1,384,220
<b>TOTAL MEMBERS FUNDS</b>		<b>6,612,938</b>	<b>7,426,904</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity for the year ended 31 October 2019

	Building Trust Fund \$	Accumulated surplus \$	Community Reinvestment Fund \$	Total Members Funds \$
<b>Balance at 31 October 2017</b>	<b>964,079</b>	<b>5,937,473</b>	<b>1,056,295</b>	<b>7,957,847</b>
Deficit for the year	-	(530,943)	-	(530,943)
Transfer in/(out)	-	(327,925)	327,925	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	(858,868)	327,925	(530,943)
<b>Balance at 31 October 2018</b>	<b>964,079</b>	<b>5,078,605</b>	<b>1,384,220</b>	<b>7,426,904</b>
<b>Balance at 31 October 2018</b>	<b>964,079</b>	<b>5,078,605</b>	<b>1,384,220</b>	<b>7,426,904</b>
Deficit for the year	-	(813,966)	-	(813,966)
Transfer in/(out)	-	(304,600)	304,600	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	(1,118,566)	304,600	(813,966)
<b>Balance at 31 October 2019</b>	<b>964,079</b>	<b>3,960,039</b>	<b>1,688,820</b>	<b>6,612,938</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows for the year ended 31 October 2019

	Notes	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from registrations, sponsorships, affiliation and other fees		13,493,591	11,376,166
Payments to suppliers and employees		(13,667,926)	(12,009,760)
Finance and borrowing costs		(44,181)	(14,558)
Interest received		71,436	65,236
<b>Net cash used in operating activities</b>	14(a)	<b>(147,080)</b>	<b>(582,916)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipts received from investment income		146,925	113,006
Payments for plant and equipment		(102,179)	(679,952)
Funds advanced for Knox pitch replacements		(115,000)	(150,000)
<b>Net cash used in investing activities</b>		<b>(70,254)</b>	<b>(716,946)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net (repayment)proceeds/ of borrowings		(107,848)	478,779
<b>Net cash used in / generated from financing activities</b>		<b>(107,848)</b>	<b>478,779</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(325,182)</b>	<b>(821,083)</b>
Cash and cash equivalents at beginning of the year		4,352,979	5,174,062
<b>Cash and cash equivalents at end of the year</b>	4	<b>4,027,797</b>	<b>4,352,979</b>

The accompanying notes form part of these financial statements.

## **1. Statement of Significant Accounting Policies**

### **(a) Corporate information**

The financial report is for Football Victoria Inc. (FV) as an individual entity and is an association incorporated in Victoria under the Associations Incorporation Reform Act 2012. The registered office of FV is Level 3, 436 St Kilda Road, Melbourne, VIC 3004.

During the financial year, the Association changed its legal name from Football Federation Victoria Inc. to Football Victoria Inc.

The financial report of FV was authorised for issue by the Board on 26 February 2020.

### **(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 except for the changes on account of first-time adoption of AASB 9 Financial instrument.

#### **New and amended standards adopted**

The Association has adopted all 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 January 2018. Impact of these new standards and interpretations is set out below

#### **AASB 9 Financial Instruments and related amending Standards**

In the current year, the Association has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018.

AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities, AND
- Impairment of financial assets

The Association has the following financial instruments:

- Trade and other receivables
- Trade and other payables

There were no changes to the classification of any of the Association's financial instruments since the prior year.

#### **Classification and measurement of financial assets and financial liabilities**

Under AASB 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 contains three primary categories instruments, measure at amortized cost, Fair value through profit or Loss (FVTPL) and fair value through other comprehensive income (FVTOCI). AASB 9 largely retains the existing requirements of AASB 139 for the classification and measurement of financial liabilities. The entity has applied AASB 9 retrospectively, with the initial application date of 1 January 2018. Based on the its business model, entity all financial assets that were classified as loans and receivables and measured at amortized cost continue the same classification and measurement. AASB 9 has not resulted in changes in the carrying amount of the FV 's financial instruments due to changes in classification and measurement categories.



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

**(c) Adoption of new and revised Accounting Standards (cont'd)**

**Impairment of financial assets**

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Association to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Association's financial assets do not have a significant financing component. Therefore, the Association has adopted the simplified approach for measuring expected credit losses at an amount equal to lifetime expected loss allowance for its financial assets.

None of the reclassifications or assessment of impairment of financial assets have had a material impact on the Association's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

**New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 October 2019 reporting period and have not been early adopted by FV. FV's assessment of the impact of these new standards and interpretations is set out below.

**AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities (Effective date: 1 January 2019)**

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations when it becomes effective.

The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by a Association.

**Key requirements of AASB 1058:**

Upon initial recognition of the asset, this Standard requires the Association to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- (a) contributions by owners;
- (b) revenue, or a contract liability arising from a contract with a customer;
- (c) a lease liability;
- (d) a financial instrument; or
- (e) a provision.

These related amounts are accounted for in accordance with the applicable Australian Accounting Standard.

The Standard also prescribes specific accounting requirements for transaction which is a transfer of a financial asset to enable a Association to acquire or construct a recognisable non-financial asset to be controlled by the Association (i.e. an in-substance acquisition of a non-financial asset) and volunteer services.

Entities can choose to apply this Standard retrospectively (which requires restatement of comparatives with certain practical expedients allowed) or to use a modified approach (where comparatives are not restated but the cumulative effect of initial application will be adjusted through opening retained earnings on the date of initial application).

The Association 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 Association's revenue recognition.

**AASB 16 Leases (Effective date: 1 January 2019)**

AASB 16 *Leases* is effective for years commencing on or after 1 July 2019. AASB 16 eliminates the classification of leases as either operating leases or finance leases for lessees as required by AASB 117 *Leases* and instead, introduces a single lessee accounting model.

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

**(c) Adoption of new and revised Accounting Standards (cont'd)**

On initial application of AASB 16, for all leases (except as noted below), the Association will:

- a. Recognise right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- b. Recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss;
- c. Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the cash flow statement.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Association will opt to recognise a lease expense on a straight-line basis as permitted by AASB 16.

Under AASB 16, the Association will recognise a right of use asset and a corresponding lease liability in relation to the non-cancellable operating leases for the office premises. Upon adoption, a right-of-use asset will be recognised at an amount equal to the corresponding lease liability. The Association currently expects the lease agreements, which were signed prior to 1st November 2019, to result in a right of use asset and lease liability of \$1,215,976 for the office premises, as disclosed in note 12(b), prior to any discounting. This has not been reflected in the financial statements for the financial year ended 31 October 2019.

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

**(d) Income Tax**

Football Victoria is exempt from income tax in accordance with the provisions of the Income Tax Assessment Act. Football 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:

<b>Class of Asset</b>	<b>Depreciation Rates</b>	<b>Depreciation Basis</b>
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.

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

**(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 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**

The Association makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Association uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The entity recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

**(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 Victoria prior to the end of the financial year that are unpaid and arise when Football 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 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 FV'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 Victoria's obligations.

**Superannuation**

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

**(k) Revenue**

Revenue is measured based on the consideration to which the Association expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

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

**(k) Revenue (con'd)**

**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 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.

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

### **(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 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) Financials instruments**

#### **Financial Assets**

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### **Classification of Financial assets**

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the entity may make the following irrevocable election / designation at initial recognition of a financial asset:

- The entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### **Initial measurement of financial assets**

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. All financial assets are initially measured at fair value adjusted for transaction costs.

#### **Subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI
- Financial assets at FVTPL

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

**(o) Financial instruments (cont'd)**

**(i) Amortised cost and effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

**(ii) Debt instruments at fair value through other comprehensive income (Debt FVTOCI)**

Debt FVTOCI initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss.

**(iii) Equity instruments at fair value through other comprehensive income (Equity FVTOCI)**

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

**(iv) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line.

**(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 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.

**(q) Unearned revenue**

Income is brought to account in the period in which it relates. Monies received prior to 31 October 2019 which relates to future periods, has been recorded as Unearned revenue.

**(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.

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

**(s) Significant management judgement in applying 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 car parks 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 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 asset's 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 Victoria agrees to manage and operate the Knox Facility premises and provide the "management services". Football 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.

**Knox pitch replacement fund**

Under the lease agreement with the Knox City Council, Football Victoria has contracted commitments to contribute towards a future pitch replacement fund at the Knox facility. Football 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 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.

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	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: REVENUE</b>		
<b>2(a) Operating revenue</b>		
- Registration fees	5,558,875	5,190,806
- Team entry fees	2,947,100	2,910,589
- Sponsorships	381,509	252,835
- Grants	1,705,972	1,416,050
- Licence fees	36,000	30,000
- Coaching and development	292,376	198,018
- Tribunal fines and appeals	5,500	7,227
- Referees levies and fees	67,142	77,843
- Events	391,287	327,997
- Talented player development	618,119	382,357
- Venue and retail operations	496,649	400,221
- Broadcast rights	454,800	-
	<b>12,955,330</b>	<b>11,193,943</b>
<b>2(b) Other Revenue</b>		
- Rental Income from Investment Property	119,325	113,006
- Other Revenue	50,910	17,265
- Fines and disciplinary sanctions	304,600	327,925
Finance Income		
- Bank Interest	71,436	65,236
Total other revenue	<b>546,270</b>	<b>523,432</b>
<b>NOTE 3: EXPENSES INCLUDED IN PROFIT OR LOSS</b>		
Employee benefits expense:		
- Salaries and Wages	5,761,469	5,115,444
- Superannuation	490,068	450,410
- Payroll Tax and Workers Compensation	325,071	274,278
	<b>6,576,608</b>	<b>5,840,132</b>
Depreciation of non-current assets:		
- Football Centre Knox	Note 7 201,961	201,961
- Motor Vehicles	Note 7 107,389	52,969
- Computer Systems	Note 7 45,187	35,266
- Sport and Office Equipment	Note 7 80,292	72,950
	<b>434,829</b>	<b>363,146</b>
Finance costs and borrowings paid:		
- Bank interest	44,181	14,558
	<b>44,181</b>	<b>14,558</b>



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	2019 \$	2018 \$
<b>NOTE 3: EXPENSES INCLUDED IN PROFIT OR LOSS (cont)</b>		
Operating Expenses:		
- Game development	691,615	817,491
- Competitions and events	226,001	255,500
- Referees' administration and development	352,525	383,637
- Football operations	1,506,815	1,407,203
- Administration	2,261,294	1,834,035
- IT expenses	151,648	187,868
- Broadcasting, sponsorship, marketing and communications	1,022,203	357,544
- Talented player development	714,548	536,993
- Venue and retail operations	333,299	250,211
	<b>7,259,948</b>	<b>6,030,482</b>

**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash at bank and on hand	<b>4,027,797</b>	<b>4,352,979</b>
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**NOTE 5: TRADE AND OTHER RECEIVABLES**

Trade receivables	344,856	504,212
Provision for doubtful debts	-	-
	<b>344,856</b>	<b>504,212</b>
Other receivables	35,176	39,931
	<b>380,032</b>	<b>544,143</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.

**NOTE 6: OTHER ASSETS**

**CURRENT**

Prepayments	<b>164,860</b>	<b>192,873</b>
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**NON-CURRENT**

Funds advanced for pitch replacement	<b>715,000</b>	<b>600,000</b>
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Football Victoria has contracted commitments to a future pitch replacement fund at the Knox facility. Cumulative contributions have been made of \$715,000 which are recognised as an asset on the basis that FV 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, FV 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.

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	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land and buildings</b>		
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	(1,161,417)	(959,457)
	437,582	639,542
	<hr/>	<hr/>
<b>Total land and buildings</b>	<b>437,582</b>	<b>639,542</b>
	<hr/>	<hr/>
<b>Plant and equipment</b>		
Motor vehicles	539,203	539,204
Less: accumulated depreciation	(162,119)	(54,730)
	377,084	484,474
	<hr/>	<hr/>
Computer systems	348,973	319,644
Less: accumulated depreciation	(278,595)	(232,871)
	70,378	86,773
	<hr/>	<hr/>
Sport and office equipment	1,277,441	1,204,590
Less: accumulated depreciation	(955,531)	(875,775)
	321,910	328,815
	<hr/>	<hr/>
<b>Total plant and equipment</b>	<b>769,372</b>	<b>900,062</b>
	<hr/>	<hr/>
<b>Total property, plant and equipment</b>	<b>1,206,954</b>	<b>1,539,604</b>
	<hr/>	<hr/>
Football 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
- later than one year and not later than five years	-	-
- greater than five years	-	-
	<hr/>	<hr/>
	<b>-</b>	<b>115,000</b>
	<hr/>	<hr/>

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

<b>2019</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>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at the beginning of year</b>	-	<b>639,542</b>	<b>484,474</b>	<b>86,773</b>	<b>328,815</b>	<b>1,539,604</b>
Additions	-	-	-	28,793	73,386	102,179
Disposals	-	-	-	-	-	-
Depreciation expense	-	(201,961)	(107,389)	(45,187)	(80,292)	(434,829)
<b>Carrying amount at the end of year</b>	<b>-</b>	<b>437,581</b>	<b>377,085</b>	<b>70,378</b>	<b>321,909</b>	<b>1,206,954</b>

<b>2018</b>						
<b>Balance at the beginning of year</b>	-	<b>841,503</b>	<b>47,406</b>	<b>22,584</b>	<b>327,218</b>	<b>1,238,711</b>
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)
<b>Carrying amount at the end of year</b>	<b>-</b>	<b>639,542</b>	<b>484,474</b>	<b>86,773</b>	<b>328,815</b>	<b>1,539,604</b>

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Notes to the financial statements

**NOTE 8: INVESTMENT PROPERTY**

Investment property - fair value	2,600,000	2,600,000
	<b>2,600,000</b>	<b>2,600,000</b>
Balance at beginning of the year	2,600,000	2,600,000
Fair value adjustments	-	-
Balance at end of the year	<b>2,600,000</b>	<b>2,600,000</b>

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	416,819	427,736
Other payables and accruals	737,066	634,684
	<b>1,153,885</b>	<b>1,062,420</b>

**NOTE 10: EMPLOYEE BENEFITS**

**CURRENT**

Annual leave	455,549	422,510
Long service leave	114,715	92,957
	<b>570,264</b>	<b>515,467</b>

**NON CURRENT**

Long service leave	<b>36,888</b>	<b>47,533</b>
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(a) Aggregate employee benefits	607,152	563,000
(b) Number of full time equivalent employees at year end	57	68

**NOTE 11: INCOME IN ADVANCE**

**CURRENT**

Income in advance	<b>178,937</b>	<b>132,696</b>
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**NOTE 12: BORROWINGS**

**CURRENT**

Finance leases – Motor Vehicles	<b>118,126</b>	<b>107,848</b>
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**NON CURRENT**

Finance leases – Motor Vehicles	<b>252,805</b>	<b>370,931</b>
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Notes to the financial statements

**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	404,476	374,508
- later than one year and not later than five years	811,500	-
- greater than five years	-	-
Total operating lease commitment	<b>1,215,976</b>	<b>374,508</b>

Football Victoria leases Level 3, 436 St Kilda Rd as its registered office. The lease is for a period of 3 years, with an option to renew the lease for 2 further terms of 1 year each.

The lease payments for Level 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	<b>170,800</b>	<b>165,800</b>
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**NOTE 14: CASH FLOW INFORMATION**

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

Deficit for the year	(813,966)	(530,943)
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**Non-cash flows in surplus from ordinary activities**

Depreciation and amortisation	434,829	363,146
Investment income/expenses classified as investment activities	(146,925)	(113,006)
Net loss on disposal of property, plant and equipment	-	15,912

**Changes in assets and liabilities:**

Trade and other receivables	249,101	(162,967)
Prepayment	28,013	(47,279)
Trade payables and accruals	6,475	84,968
Unearned income	46,241	(416,828)
Other provisions	5,000	4,800
Employee provisions	44,152	219,280
<b>Net cash and cash equivalents used in operating activities</b>	<b>(147,080)</b>	<b>(582,916)</b>

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Notes to the financial statements

**NOTE 14: CASH FLOW INFORMATION (cont'd)**

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

Lending facility	732,000	732,000
Amount utilised	-	-
Unused lending facility	<b>732,000</b>	<b>732,000</b>

Overdraft facility	500,000	500,000
Amount utilised	-	-
Unused overdraft facility	<b>500,000</b>	<b>500,000</b>

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:

<b>1,864,985</b>	<b>1,489,629</b>
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The following changes in the executive team occurred during the year:

- Leanne Conrad terminated as Executive Manager – Legal, Regulatory & Finance on 18 March 2019.
- Gary Cole resigned as Executive Manager – Facilities & Advocacy on 25 January 2019.
- Matthew Green accepted his appointment as Senior Executive Manager – Business Services on 13 May 2019.

Note: The 2019 key management personnel compensation of \$1,864,985 includes \$108,419 in restructuring costs.

**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 Victoria, the results of those operations, or the state of affairs of Football Victoria in subsequent financial years.