

Football Victoria
Formerly known as “Football Federation Victoria”

Financial Statements
for the financial year ended 31 October 2021



General Purpose Financial Statements

For the year ended 31 October 2021

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Directors Report for the Year Ended 31 October 2021

Your directors present this report for Football Victoria Inc. ("FV") for the financial year ended 31 October 2021.

Directors

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

Antonella Care
Harry Zaitman
Azmeena Hussain
Lee Sammartino
Hanife Ymer (Resigned December 2020)
Kimon Taliadoros (Resigned February 2021)
Sezar Jakupi (Term expired May 2021)
Jo Bladen (Appointed May 2021)
Yianni Zaparas (Appointed May 2021)
Steve Forbes (Appointed May 2021)
Simi Solowiejczyk (Appointed October 2021)

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

Operating Result

The result for FY21 for FV was a surplus \$2,139,813 (FY20: deficit of \$2,367,565).

Review of Operations

The 2021 year was the second consecutive year impacted by the COVID-19 state-wide pandemic lockdown measures implemented by the Victorian State Government. It brought a halt to all Football Victoria (FV) competitions and events around the midpoint of the season, although most other states were fortunate enough to avoid the same fate.

Once again, our football clubs and communities, including players, volunteers, coaches, referees and families were all directly and indirectly affected, as were Victoria's other winter sports.

Unlike 2020 which resulted in financial annihilation of the Victorian football economy and a profound impact on FV finances and reserves, roughly half the 2021 football season was completed prior to being cancelled by the FV Board. Whilst the costs and overheads remained consistent with operating a full season, FV provided an approximate 20% refund on player registrations to clubs.

Consequently, the revenue shortfalls were \$814k on the FY21 Budget and \$795k on FY19, not including the revenue recognised in relation to Home of Matilda's capital funding in 2021.

The FV Board and Executive team maintained the strategies adopted in FY20 to protect the cash position and balance sheet of the organisation, including:

- Selective replacements for natural staff attrition
- Cancelling all non-essential expenditure
- Focus on 'cash hoarding' to maximise cashflow headroom
- Maximising grant opportunities to deploy underutilised staff
- Balance debt relief and assistance packages for clubs and associations
- Strong advocacy within government working groups
- Contracts review – suspension and mitigation as required
- Implementation of 2021 FV Fee Refund Policy.

Directors Report for the Year Ended 31 October 2021

Despite short term revenue and cash challenges posed by the intervention of the COVID pandemic, FV delivered the operational requirements, as well as maintaining its commitment to, and investment in the FV bold growth-oriented "Footballways" Strategic Plan, including:

- The dedicated facilities team working with Victorian clubs, councils and the state government to address the chronic facilities deficit to meet the projected growth participants
- The women and girls' team maintaining the commitment to achieving 50/50 by 2027, a target now adopted by Football Australia
- The ongoing development of the \$100m LaTrobe University State Football Centre and Home of the Matildas project, due to be delivered in 2023
- Sustaining a focus on supporting and enhancing the relationships and capability of our regional associations and clubs
- Continuing to expand the football portfolio across the 12 month calendar, including social football, futsal and popular boutique competitions
- Contributing meaningfully to the ongoing OneFootball project to consolidate and improve the operational, strategic and governance effectiveness across the national federated structure
- Participating in the Football Australia Legacy 23 Project ahead of the 2023 FIFA Womens World Cup to be held in Australia and New Zealand.

Notwithstanding the \$11.3m revenue shortfall in 2020, FV worked diligently through 2021 and into 2022 towards the incremental restoration of the FV balance sheet. It is noted that FV was still able to retain a significant asset being the Dorcas Street property which also earned income throughout 2021.

Readers of these accounts should note that the cash holding amount at year end at \$5.6m must be understood in the context of the cyclical nature of the Football Victoria financial model. This 31 October 2021 figure is before all refund policy distributions have been processed and the additional debt taken on during 2020 under the 'cash-hoarding' approach should also be netted-off this amount. In addition, the cash balance includes funding received specifically in relation to the Home of Matilda's project. After these considerations, the net cash holdings are \$3.9m – noting there is a minimum cash holding requirement of approximately \$2.5m for FV to manage through the 'off-season'.

Other items of note in the FY21 accounts include:

- Home of Matilda's – the financials include a number of amounts in relation to the Home of Matilda's facility currently under construction. This includes \$1.5m of revenue, \$1.5m recognised as property plant and equipment, \$13.2m of debtors receivable from the State Government in relation to milestone payments for Capital grant funding and \$11.5m included in income in advance. Readers of the financials should consider these impacts when reviewing the financials
- Grants – grants received during another COVID-19 impacted year are considered a positive outcome

The FV Board would like to thank the ongoing support of the State government, Sports & Recreation Victoria, VicSport and our local councils for their collaboration and support through another challenging year.

The FV Board would also like to acknowledge the enormous commitment and sacrifice from all of our clubs, associations and volunteers. We know 2021 was also challenging and we look forward to your revitalised inspiration in 2022.

The FV Board also thanks the FV staff who tirelessly and diligently apply themselves in the service of the game, its stakeholders and Victorian communities.

Directors Report for the Year Ended 31 October 2021

Significant Changes in the State of Affairs

As detailed in the Report of Operations above, the impact of COVID-19 was again significant with competitions largely cancelled for a second straight year.

While FV remains in a challenging financial position, with a substantial season in 2022 it is expected that the organisation can continue to deliver its core operations.

Principal Activities

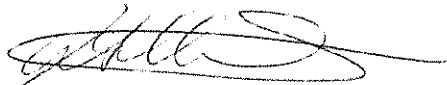
The principal activities of FV during the financial year was the Administration of Football in the State of Victoria.

Directors Report for the Year Ended 31 October 2021

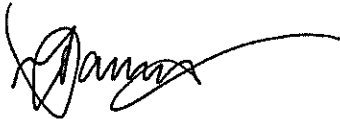
After Balance Date Events

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

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



Antonella Care
Director



Lee Sammartino
Director

Dated this 23rd day of March 2022

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 2021, 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 2021 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 (including Independence Standards)* (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 2021 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

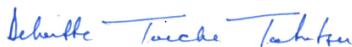
Auditor's Responsibilities for the Audit of the Financial Report

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, 23 March 2022

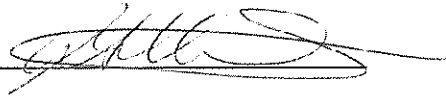
Directors' declaration

In the opinion of the Board of FV the financial report as set out on pages 7 to 29:

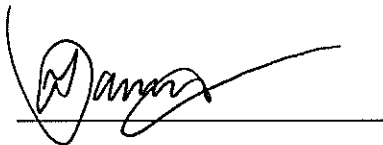
1. Presents a true and fair view of the financial position of FV as at 31 October 2021 and its performance for the year ended on that date in accordance with the Australian Accounting Standards-Reduced Disclosure Regime (including the Australian Accounting Interpretations) and the requirements of the Associations Incorporation Reform Act 2012.
2. At the date of this statement, there are reasonable grounds to believe that FV 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 'J. Hill', written over a horizontal line.

Director

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

Melbourne, 23 March 2022

Statement of profit or loss and other comprehensive income for the year ended 31 October 2021

	<u>Notes</u>	<u>2021 \$</u>	<u>2020 \$</u>
Revenue	2(a)	9,923,556	5,248,741
Other Revenue	2(b)	4,280,629	3,089,092
Employee benefits expense	3	(6,290,785)	(5,671,931)
Depreciation and amortisation expense	3	(757,654)	(786,566)
Finance and borrowing costs	3	(61,158)	(74,554)
Operating expenses	3	(4,954,775)	(4,172,347)
Surplus /(Deficit) for the year		2,139,813	(2,367,565)
Other comprehensive income		-	-
Total comprehensive income /(loss) for the year		2,139,813	(2,367,565)

The accompanying notes form part of these financial statements.

Statement of financial position at 31 October 2021

	Notes	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5,613,255	3,417,867
Trade and other receivables	5	14,334,141	1,211,755
Other current assets	6	228,462	106,291
TOTAL CURRENT ASSETS		20,175,858	4,735,913
NON-CURRENT ASSETS			
Other non-current assets	6	715,000	715,000
Property, plant and equipment	7	1,861,991	635,529
Right-of-use assets	8	519,839	1,000,314
Investment property	9	3,000,000	3,000,000
TOTAL NON-CURRENT ASSETS		6,096,830	5,350,843
TOTAL ASSETS		26,272,688	10,086,756
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	5,405,282	2,162,066
Employee benefits	11	704,504	603,198
Income in advance	12	12,519,468	1,230,822
Lease liabilities	13	515,431	552,254
Borrowings	15	67,000	67,000
TOTAL CURRENT LIABILITIES		19,211,685	4,615,340
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefits	11	85,924	57,536
Lease liabilities	13	11,693	528,607
Other provisions	14	181,200	175,900
Borrowings	15	397,000	464,000
TOTAL NON-CURRENT LIABILITIES		675,817	1,226,043
TOTAL LIABILITIES		19,887,502	5,841,383
NET ASSETS		6,385,186	4,245,373
MEMBERS' FUNDS			
Building Trust Fund		964,079	964,079
Accumulated surplus		3,476,537	1,525,349
Community Football reinvestment fund		1,944,570	1,755,945
TOTAL MEMBERS FUNDS		6,385,186	4,245,373

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 31 October 2021

	Building Trust Fund \$	Accumulated surplus \$	Community Reinvestment Fund \$	Total Members Funds \$
Balance at 31 October 2019	964,079	3,960,039	1,688,820	6,612,938
(Deficit) for the year	-	(2,367,565)	-	(2,367,565)
Transfer in/(out)	-	(67,125)	67,125	-
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(2,434,690)	67,125	(2,367,565)
Balance at 31 October 2020	964,079	1,525,349	1,755,945	4,245,373
Balance at 31 October 2020	964,079	1,525,349	1,755,945	4,245,373
Surplus for the year	-	2,139,813	-	2,139,813
Transfer in/(out)	-	(188,625)	188,625	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	1,951,188	188,625	2,139,813
Balance at 31 October 2021	964,079	3,476,537	1,944,570	6,385,186

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 31 October 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from registrations, sponsorships, affiliation and other fees		14,705,969	9,206,912
Payments to suppliers and employees		(10,471,343)	(9,921,821)
Finance and borrowing costs		(61,158)	(74,554)
Interest received		16,801	28,796
Net cash generated from/ (used in) operating activities	16(a)	4,190,269	(760,667)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts received from investment income		129,571	125,261
Payments for property, plant and equipment		(1,505,972)	(115,946)
Proceeds from sale of plant and equipment		-	5,818
Net cash (used in)/ generated from investing activities		(1,376,401)	15,133
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (repayment) / proceeds of borrowings		(67,000)	531,000
Repayment of lease liabilities		(551,480)	(395,396)
Net cash (used in)/ generated by financing activities		(618,480)	135,604
Net increase/ (decrease) in cash and cash equivalents		2,195,388	(609,930)
Cash and cash equivalents at beginning of the year		3,417,867	4,027,797
Cash and cash equivalents at end of the year	4	5,613,255	3,417,867

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 as 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.

The financial report of FV was authorised for issue by the Board on 23 March 2022.

(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 the below standards.

New and amended standards adopted

The Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 November 2020.

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

- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*

The application of these amendments did not have any material impact on the disclosures or the amounts recognised in Association's financial statements.

New and revised Australian accounting standards in issue but not yet effective

At the date of authorisation of these financial statements, the Association has not applied the following new and revised Standards that have been issued but are not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Applicable from year ended
AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>	1 January 2021	31 October 2022
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	1 January 2022	31 October 2023
AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023	31 October 2024

The Association does not expect any material impact on its financial position and performance, with the adoption of these revised Standards/ Interpretations.

1. Statement of Significant Accounting Policies

(d) Income Tax

FV is exempt from income tax in accordance with the provisions of the Income Tax Assessment Act. FV 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, FV 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.

1. Significant accounting policies (cont'd)

(i) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to FV prior to the end of the financial year that are unpaid and arise when FV 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 FV 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

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 FV's obligations.

Superannuation

The amount charged to the profit or loss in respect of superannuation represents the contributions made by FV 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.

Government and Other Grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

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 as and when the performance obligations are satisfied.

All revenue is stated net of the amount of goods and services tax (GST).

1. Significant accounting policies (cont'd)

(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) 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 FV.

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.

(n) Financial 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.

1. Significant accounting policies (cont'd)

(n) Financials instruments (Cont'd)

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

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 investment's 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.

(o) 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 FV 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.

(p) Unearned revenue

Income is brought to account in the period in which it relates. Monies received prior to 31 October 2021 which relates to future periods, has been recorded as unearned revenue.

(q) Comparative Figures

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

(r) 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)

(r) 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 carpark 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 FV. 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, FV agrees to manage and operate the Knox Facility premises and provide the "management services". FV 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 initial lease term of 10 years.

Knox pitch replacement fund

Under the lease agreement with the Knox City Council, FV has contracted commitments to contribute towards a future pitch replacement fund at the Knox facility. FV 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. FV has exercised the option to renew the Knox lease agreement for a further five years at the end of the current lease period. 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 Victoria

NOTE 2: REVENUE

2(a) Operating revenue

	2021 \$	2020 \$
- Registration fees	5,182,782	2,298,339
- Team entry fees	2,609,938	1,294,714
- Sponsorships	112,641	115,353
- Grants – Program revenue	457,051	1,069,790
- Licence fees	-	30,000
- Coaching and development	271,307	106,891
- Tribunal fines and appeals	5,250	500
- Referees levies and fees	37,197	22,701
- Events	60,044	15,667
- Talented player development	524,313	105,650
- Venue and retail operations	359,820	143,561
- Broadcast rights	303,213	45,575
	9,923,556	5,248,741

2(b) Other Revenue

- Rental Income from Investment Property	129,571	125,261
- Other Revenue	495,805	111,510
- Fines and disciplinary sanctions	188,625	67,125
- Fair value gain on revaluation of Investment Property	-	400,000
- Government Grants – Home of Matilda's capital funding	1,497,639	-
- Government Grants – JobKeeper	619,800	1,361,400
- Government Grants – other subsidies	1,332,388	995,000

Finance Income

- Bank Interest	16,801	28,796
Total other revenue	4,280,629	3,089,092

NOTE 3: EXPENSES INCLUDED IN PROFIT OR LOSS

Employee benefits expense:

- Salaries and Wages	5,460,024	4,949,863
- Superannuation	512,483	438,580
- Payroll Tax and Workers Compensation	318,278	283,488
	6,290,785	5,671,931

Depreciation of non-current assets:

- Football Centre Knox	Note 7	201,961	201,961
- Computer Systems	Note 7	37,242	59,620
- Sport and Office Equipment	Note 7	40,233	42,888
- Right-of-use Assets	Note 8	478,218	482,097
		757,654	786,566

Finance costs and borrowings paid:

- Bank interest	61,158	74,554
	61,158	74,554

Football Victoria

	2021 \$	2020 \$
NOTE 3: EXPENSES INCLUDED IN PROFIT OR LOSS (cont'd)		
Operating Expenses:		
- Game development	541,947	343,342
- Competitions and events	200,629	87,744
- Referees' administration and development	190,712	161,415
- Football operations	1,282,257	871,132
- Administration	1,415,615	1,028,939
- Doubtful debts	1,758	788,232
- IT expenses	160,726	163,605
- Broadcasting, sponsorship, marketing and communications	535,777	354,311
- Talented player development	414,270	218,374
- Venue and retail operations	211,084	155,253
	4,954,775	4,172,347

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	5,613,255	3,417,867
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NOTE 5: TRADE AND OTHER RECEIVABLES

Trade receivables*	14,359,241	1,499,653
Provision for doubtful debts	(50,000)	(768,706)
	14,309,241	730,947
Other receivables	24,900	480,808
	14,334,141	1,211,755

* Trade receivables includes \$13,200,000 receivable from the State Government in relation to milestone payments for Home of Matilda's Capital grant funding. This was receipted by the Association in November and December 2021.

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	228,462	106,291
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NON-CURRENT

Funds advanced for pitch replacement	715,000	715,000
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Under the lease agreement with the Knox City Council, FV has contracted commitments to contribute towards a future pitch replacement fund at the Knox facility. FV 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. FV has exercised the option to renew the Knox lease agreement for a further five years at the end of the current lease period. 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 Victoria

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Land and buildings

	2021 \$	2020 \$
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	(1,565,339)	(1,363,378)
	33,660	235,621
Total land and buildings	33,660	235,621

Plant and equipment

Motor vehicles	-	539,203
Less: accumulated depreciation	-	(162,119)
Transfer to Right-of-use asset accumulated depreciation	-	(377,084)
	-	-
Computer systems	357,972	357,805
Less: accumulated depreciation	(325,502)	(291,678)
	32,470	66,127
Sport and office equipment	1,163,517	1,330,631
Less: accumulated depreciation	(865,295)	(956,850)
	298,222	333,781
Work in Progress - Home of Matilda's facility	1,497,639	-
	1,497,639	-
Total plant and equipment	1,828,331	399,908
Total property, plant and equipment	1,861,991	635,529

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

2021	Football Centre – Knox	Motor Vehicles	Computer System	Sport and Office Equipment	Work in Progress – Home of Matilda’s facility	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	235,621	-	66,127	333,781	-	635,529
Additions	-	-	3,659	4,674	1,497,639	1,505,972
Disposals	-	-	(74)	-	-	(74)
Depreciation expense	(201,961)	-	(37,242)	(40,233)	-	(279,436)
Carrying amount at the end of year	33,660	-	32,470	298,222	1,497,639	1,861,991

2020						
Balance at the beginning of year	437,582	377,084	70,378	321,910	-	1,206,954
Additions	-	-	60,335	55,611	-	115,946
Disposals	-	-	(4,966)	(852)	-	(5,818)
Transfer to Right-of-use Asset	-	(377,084)	-	-	-	(377,084)
Depreciation expense	(201,961)	-	(59,620)	(42,888)	-	(304,469)
Carrying amount at the end of year	235,621	-	66,127	333,781	-	635,529

NOTE 8: RIGHT-OF-USE ASSETS

2021	Buildings	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$
Cost				
At 31 October 2020	1,038,528	539,203	66,799	1,644,530
Disposals	-	(2,257)	-	(2,257)
At 31 October 2021	1,038,528	536,946	66,799	1,642,273
Accumulated depreciation				
At 31 October 2020	(356,067)	(269,508)	(18,641)	(644,216)
Depreciation expense	(356,067)	(103,510)	(18,641)	(478,218)
At 31 October 2021	(712,134)	(373,018)	(37,282)	(1,122,434)
Carrying Amount				
At 31 October 2020	682,461	269,695	48,158	1,000,314
At 31 October 2021	326,394	163,928	29,517	519,839

Amounts recognised in the profit and loss	2021
	\$
Amortisation expense on right-of-use assets	478,218
Interest expense on lease liabilities	29,901

Football Victoria
Notes to the financial statements

	2021	2020
	\$	\$

NOTE 9: INVESTMENT PROPERTY

Investment property - fair value	3,000,000	3,000,000
	3,000,000	3,000,000
Balance at beginning of the year	3,000,000	2,600,000
Fair value adjustments	-	400,000
Balance at end of the year	3,000,000	3,000,000

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 Jones Lang LaSalle Advisory Services Pty Ltd (JLL) on 31 December 2020 as representing the value of the property at an arm's length transaction between willing parties.

NOTE 10: TRADE AND OTHER PAYABLES

Unsecured liabilities		
Trade payables	3,486,799	1,301,831
Other payables and accruals	1,918,483	860,235
	5,405,282	2,162,066

NOTE 11: EMPLOYEE BENEFITS

CURRENT

Annual leave	574,701	464,809
Long service leave	129,803	138,389
	704,504	603,198

NON-CURRENT

Long service leave	85,924	57,536
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(a) Aggregate employee benefits	790,428	660,734
(b) Number of full-time equivalent employees at year end	63	58

NOTE 12: INCOME IN ADVANCE

CURRENT

Income in advance*	12,519,468	1,230,822
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* Note that this balance includes \$11,502,361 invoiced but not yet spent in relation to the Home of Matilda's Capital works.

NOTE 13: LEASE LIABILITIES

Current	515,431	552,254
Non-Current	11,693	528,607
	527,124	1,080,861

Football Victoria
Notes to the financial statements

2021 **2020**
\$ \$

NOTE 14: OTHER PROVISION

NON-CURRENT

Make Good Provision

181,200 **175,900**

NOTE 15: BORROWINGS

Current

67,000 67,000

Non-Current

397,000 464,000

Credit Standby Arrangements with banks

Lending facility

464,000 531,000

Amount utilised

464,000 531,100

Unused lending facility

- -

Overdraft facility

500,000 500,000

Amount utilised

- -

Unused overdraft facility

500,000 **500,000**

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

NOTE 16: CASH FLOW INFORMATION

Reconciliation of cash Flow from Operations with Surplus from Ordinary Activities

Surplus / (deficit) for the year 2,139,813 (2,367,565)

Non-cash flows in surplus from ordinary activities

Depreciation and amortisation 757,654 786,566

Investment income / expenses classified as investment activities (129,571) (125,261)

Gain on revaluation of investment property - (400,000)

Loss on disposal of PPE 74 -

Changes in assets and liabilities:

Trade and other receivables (13,122,386) (831,724)

Prepayments (122,171) 58,569

Trade payables and accruals 3,243,216 1,008,181

Unearned income 11,288,646 1,051,885

Other provisions 5,300 5,100

Employee provisions 129,694 53,582

Net cash and cash equivalents from operating activities **4,190,269** **(760,667)**

2021	2020
\$	\$

NOTE 17: KEY MANAGEMENT PERSONNEL DISCLOSURES

Transactions with key management personnel

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

1,213,640	1,630,002
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NOTE 18: 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 19: 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 FV, the results of those operations, or the state of affairs of FV in subsequent financial years.