Football Victoria (FV) Inc.

Financial Statements
for the financial period ended 31 December 2022

General Purpose Financial Statements
For the period ended 31 December 2022

FOOTBALL VICTORIA (FV) Inc.
Registration No: A0014492Y

Directors Report for the Period Ended 31 December 2022

Your directors present this report for Football Victoria Inc. ("FV") for the financial period ended 31 December 2022.

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

Antonella Care
Harry Zaitman
Lee Sammartino
Jo Bladen
Yianni Zaparas
Steve Forbes
Simi Solowiejczyk
Azmeena Hussain (Resigned August 2023)
Nicholas Vamvakas (Appointed October 2023)

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 FY22 for FV was a surplus $19,588,299 (FY21: surplus of $2,139,813).

Change of Financial Year End Date

Pursuant to a resolution of the Board dated 3 November 2021, FV's financial year end date has been changed from 31 October to 31 December commencing from the financial year of 2022. This has been completed to align with other State Football Member Federations in order to provide greater consistency with funding and budget considerations. Accordingly, the accompanying financial statements for the current financial period cover a period of fourteen (14) months from 1 November 2021 to 31 December 2022. The comparative figures presented for the audited statement of profit or loss, audited statement of comprehensive income, audited statement of change in equity, audited statement of cash flows and related notes cover the audited figures of the financial year from 1 November 2020 to 31 October 2021 which may not be comparable with the amounts shown for the current period.

Review of Operations

The 2022 financial year was a year of recovery and stabilisation for FV, coming off the back of consecutive cancelled seasons in 2020 and 2021, where the COVID-19 pandemic had a significant impact on football competitions, activities and the broader footballing community. Pleasingly, FV were able to return to normality of operations and post a strong financial result, while continuing investments in a range of key strategic and operational areas.

<u>Strategic & Operational Investments</u>

Throughout FY22, FV invested in a number of key strategic and operational areas to ensure the continued growth of our game. These included key investments in the following areas:

- **Home of Matildas (HoM) –** FY22 saw a significant level of work completed on the construction of the HoM, a female first, purpose-built facility in Bundoora. This facility will not only allow FV to increase the facilities footprint in Victoria but will also create a unique opportunity to provide a world class facility to our participant base, with a particular focus on women and girls. The facility has now opened in FY23 and is currently operational.
- **Women and Girls –** our commitment for 50/50 gender participation remains a priority for FV, with the FV FootballHerWay Strategy driving our commitment to 50/50 equity by 2027. Although there remains significant work to arrive at this ambitious target, a number of key investments in FY22 assisted in pushing toward this target, including Change Makers, Club Changer, and GO Soccer Mums programs.

- **Futsal –** In FY21, FV made a strategic decision to invest into Futsal. Despite a year heavily impacted by COVID, FV were able to attract 2,500 registered Futsal players throughout FY21. Off the back of this, FV have been able to grow the number of registered Futsal players to 3,600 in FY22, representing an increase of approximately 40%, with further growth anticipated in FY23 as we affiliate more Futsal clubs.
- **Schools –** FY22 also saw FV strategically enter into the Schools programs through government funding received from the Positive Start program. FY22 saw approximately 45,000 primary, specialist and secondary school students participate in Football, Futsal, and GO Girls programs facilitated by FV.
- **Social Football –** FV continued its investment in growing alternative streams of football to broaden our offering outside the traditional winter season competitions. As a result, FV supported a number of Clubs in running GO Football programs throughout the year, which attracted approximately 4,500 participations.
- **Referees –** during the FY20 and FY21 COVID-19 impacted seasons, the broader sporting industry saw a significant drop off in referee numbers. FV were not immune to this, with FV registered referees dropping to approximately 1,000 during these years. FV subsequently invested heavily into a review of the FV Referee Program to ensure that FV could recover and grow the level of referees to support increasing participation rates. These review recommendations came into effect in FY22 and resulted in an increase in registered referees of approximately 10%, noting that FY23 has seen another increase of approximately 30%.
- **Facilities –** the 2016 'FV State Football Facilities Strategy to 2026' outlined an additional 420 required pitches in order to keep up with the projected demand for the game. This represents a significant level of growth that FV has continued to support with staff dedicated to this strategy, who work closely with local and state governments to ensure that football needs are considered and met.

<u>Financial Result</u>

FY22 saw a return to normality for FV's financial performance following two impacted COVID-19 years.

Operating revenue (Note 2a) was $14.53m for FY22, which represents a significant increase on the $9.92m recorded in FY21 and the $5.25m recorded in FY20. In addition, this operating revenue of $14.53m represents a 12% increase on the $12.96m recorded in FY19, which is considered a strong result.

Excluding the impacts of depreciation expenses, interest expenses and the $21.01m of Other Revenue in relation to HoM grant revenue, the FY22 result is a Net Deficit of $177k. This is a pleasing outcome, particular noting that FY22 is a 14 month financial period, with the additional two months of the financial period contributing significantly to the Net Deficit position.

<u>Home of Matildas impact to financial statements</u>

It is important to note that with the construction of the HoM, a number of areas of the profit & loss and balance sheet are heightened accordingly. These areas therefore require 'normalisation' when being read by users of the financial statements. These include the following:

- **Cash Holdings –** The amount disclosed at year end in Note 4 is $24.22m, which includes $21.66m of cash holdings received from the State Government that have subsequently been spent on the construction of the HoM in FY23. Excluding this balance, the operational cash holdings of FV as at 31 December 2022 is $2.56m. In addition, note that approximately $1m is required to manage through the 'off season.'

- **Other Revenue –** included in Other Revenue at Note 2(b) is $21.01m in relation to 'Government Grants – Home of Matilda's capital funding.' This relates to funding received from the State Government in relation to the construction of the HoM. This funding was required to be recognised as revenue when costs were spent, noting that depreciation of these costs will not commence until the HoM construction is completed in FY23. As a result, the net surplus of FV is materially increased for FY22.
- **Trade Receivables –** the Trade Receivables balance of $14.4m disclosed at Note 5 as at 31 October 2021 included $13.2m receivable from the State Government in relation to milestone payments for HoM capital funding. This has been receipted in FY22, however is materially increasing the balance for FY21.
- **Income in Advance –** the income in advance balance disclosed at Note 12 has been materially increased by HoM capital funding received but not yet spent. This accounts for $11.5m in FY21 and $17.5m in FY22.

FY23 Budget

Looking forward, an FY23 Budget was set and resulted in a Net Deficit of approximately $700k. This Net Deficit was intended to allow FV to invest in a number of one off unique strategic opportunities, including:

- **FIFA Women's World Cup 2023 (WWC23) –** The WWC23 provided a unique once off opportunity for FV to invest into women and girls, noting the significant attention and interest that the tournament drew from within and outside Australia. It was crucial that FV ensured an appropriate level of investment was made so that the opportunity was not lost.
- **Home of Matilda's Facility –** with the HoM facility construction completed in FY23, an initial six-month investment was required in FY22 to operationalise the facility, noting that the facility is intended to operate in at least a break-even position for FY24 and beyond.

Pleasingly, FV notes that it is currently tracking ahead of Budget for FY23.

Conclusion

On behalf of the Board, FV would like to sincerely thank all of our clubs, associations and every volunteer therein who continue to support football and serve the game.

In addition, FV would also like the opportunity to thank the continued support of the State and Federal Governments and our partner organisations for their support again in FY22.

Significant Changes in the State of Affairs

No significant changes in the Association's state of affairs occurred during the financial period.

Principal Activities

The principal activities of FV during the financial period was the administration of Football in the State of Victoria.

Directors Report for the Period Ended 31 December 2022

After Balance Date Events

The Investment Property, as disclosed in Note 9 at 236 Dorcas Street South Melbourne, has been sold post the end of the financial period. The Investment Property was sold on 22nd November 2023 at public auction for a price of $3.35m.

Post the end of the financial period, FV have also made a number of changes to the Borrowings disclosed in Note 15 with National Australia Bank as follows:

- Increase in Working Capital Lending Facility from $330,000 to $830,000.
- New Short-Term Lending Facility of $1,500,000, drawn against the Contract of Sale of 236 Dorcas Street South Melbourne.

No other matters or circumstances have arisen since the end of the financial period, 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.

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

Antonella Care
Director

Nicholas Vamvakas
Director

Dated this 6th day of December 2023

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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 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and Directors declaration .

In our opinion, the accompanying financial report presents fairly, in all material respects, the Association's financial position as at 31 December 2022 and of its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards – Simplified Disclosures 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 December 2022 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 – Simplified Disclosures 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.

Deloitte.

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

DELOITTE TOUCHE TOHMATSU

Robert D D Collie
Partner
Chartered Accountants
Melbourne, 6 December 2023

Directors' declaration

In the opinion of the Board of FV the financial report as set out on pages 8 to 25:

1. Presents a true and fair view of the financial position of FV as at 31 December 2022 and its performance for the period ended on that date in accordance with the Australian Accounting Standards-Simplified Disclosures (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:

Antonella Care
Director

Nicholas Vamvakas
Director

Melbourne, 6 December 2023

Statement of profit or loss and other comprehensive income for the period ended 31 December 2022

	Notes	Fourteen months ended 31 December 2022 $	Year ended 31 October 2021 $
Revenue	2(a)	14,525,193	9,923,556
Other Revenue	2(b)	21,992,820	4,280,629
		36,518,013	14,204,185
Employee benefits expense	3	(7,651,861)	(6,290,785)
Depreciation and amortisation expense	3	(762,396)	(757,654)
Finance and borrowing costs	3	(477,347)	(61,158)
Operating expenses	3	(8,038,110)	(4,954,775)
		(16,929,714)	(12,064,372)
Surplus for the period		**19,588,299**	**2,139,813**
Other comprehensive income		-	-
Total comprehensive income for the period		**19,588,299**	**2,139,813**

The accompanying notes form part of these financial statements.

Statement of financial position at 31 December 2022

	Notes	31 December 2022 $	31 October 2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	24,216,941	5,613,255
Trade and other receivables	5	1,188,438	14,334,141
Other current assets	6	290,037	228,462
TOTAL CURRENT ASSETS		**25,695,416**	**20,175,858**
NON-CURRENT ASSETS			
Other non-current assets	6	715,000	715,000
Property, plant and equipment	7	22,981,273	1,861,991
Right-of-use assets	8	8,670,847	519,839
Investment property	9	3,000,000	3,000,000
TOTAL NON-CURRENT ASSETS		**35,367,120**	**6,096,830**
TOTAL ASSETS		**61,062,536**	**26,272,688**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	6,740,342	5,405,282
Employee benefits	11	512,672	704,504
Income in advance	12	18,163,872	12,519,468
Lease liabilities	13	8,385	515,431
Borrowings	15	67,000	67,000
TOTAL CURRENT LIABILITIES		**25,492,271**	**19,211,685**
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefits	11	91,381	85,924
Lease liabilities	13	9,242,399	11,693
Other provisions	14	-	181,200
Borrowings	15	263,000	397,000
TOTAL NON-CURRENT LIABILITIES		**9,596,780**	**675,817**
TOTAL LIABILITIES		**35,089,051**	**19,887,502**
NET ASSETS		**25,973,485**	**6,385,186**
MEMBERS' FUNDS			
Building Trust Fund		964,079	964,079
Accumulated surplus		22,733,927	3,476,537
Community Football reinvestment fund		2,275,479	1,944,570
TOTAL MEMBERS FUNDS		**25,973,485**	**6,385,186**

The accompanying notes form part of these financial statements.

Statement of changes in equity
for the period ended 31 December 2022

	Building Trust Fund $	Accumulated surplus $	Community Reinvestment Fund $	Total Members Funds $
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**
Balance at 31 October 2021	**964,079**	**3,476,537**	**1,944,570**	**6,385,186**
Surplus for the period	-	19,588,299	-	19,588,299
Transfer in/(out)	-	(330,909)	330,909	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	19,257,390	330,909	19,588,298
Balance at 31 December 2022	**964,079**	**22,733,927**	**2,275,479**	**25,973,485**

The accompanying notes form part of these financial statements.

Statement of cash flows
for the period ended 31 December 2022

	Notes	Fourteen months ended 31 December 2022 $	Year ended 31 October 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from registrations, sponsorships, affiliation and other fees		17,425,039	13,605,969
Receipts from Government grants		42,900,000	1,100,000
Payments to suppliers and employees		(20,096,468)	(10,471,343)
Finance and borrowing costs		(37,439)	(61,158)
Interest received		313,929	16,801
Net cash generated from operating activities		**40,505,061**	**4,190,269**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts received from investment income		153,327	129,571
Payments for buildings, plant and equipment		(21,401,962)	(1,505,972)
Net cash used in investing activities		**(21,248,635)**	**(1,376,401)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayment of borrowings		(134,000)	(67,000)
Repayment of lease liabilities		(518,740)	(551,480)
Net cash used in financing activities		**(652,740)**	**(618,480)**
Net increase in cash and cash equivalents		18,603,686	2,195,388
Cash and cash equivalents at beginning of the period		5,613,255	3,417,867
Cash and cash equivalents at end of the period	4	**24,216,941**	**5,613,255**

The accompanying notes form part of these financial statements.

1. Statement of Significant Accounting Policies

(a) Reporting entity

Football Victoria Inc. (FV) is an association incorporated in Victoria under the Associations Incorporation Reform Act 2012. The address of the Association's registered office is The Home of the Matildas and Victorian State Football Centre, Sports Drive, Bundoora, VIC 3083. The financial statements were approved by the Board of Directors and authorised for issue on 6 December 2023.

(b) Statement of compliance

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Basis of preparation

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.

Change of financial year end date

Pursuant to a resolution of the Board dated 3 November 2021, FV's financial year end date has been changed from 31 October to 31 December commencing from the financial year of 2022. This has been completed to align with other State Football Member Federations in order to provide greater consistency with funding and budget considerations. Accordingly. the accompanying financial statements for the current financial period cover a period of fourteen (14) months from 1 November 2021 to 31 December 2022. The comparative figures presented for the audited statement of profit or loss, audited statement of comprehensive income, audited statement of change in equity, audited statement of cash flows and related notes cover the audited figures of the financial year from 1 November 2020 to 31 October 2021 which may not be comparable with the amounts shown for the current period.

(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.

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

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for Profit and Not-for-Profit Entities

The Association previously prepared general purpose financial statements under Tier 2 - Reduced Disclosure Requirements. There were no transition adjustments other than a few disclosure changes on the adoption of Australian Accounting Standards - Simplified Disclosures.

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

AASB 1060 does not require disclosure of new accounting standards and interpretations that are not yet effective.

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 period 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 Association 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 Association with no future related costs are recognised in profit or loss in the period in which they become receivable. Refer to note 2(b).

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 and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

Financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(ii) 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; and
- 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).

(iii) Trade and other receivables

Receivables are recorded at amortised cost using the effective interest method, less impairment. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

1. Significant accounting policies (cont'd)

(n) Financials instruments (Cont'd)

(iv) Impairment of financial assets

The Association recognises a loss allowance for expected credit losses of investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Association always recognises lifetime expected credit losses (ECL) for trade receivables. The ECL on this financial asset is estimated using a provision matrix based on the Association'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 forecast direction of conditions at the reporting date, including time value of money where applicable.

For all other financial instruments, the Association recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Association measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(v) Derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Association commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership.

(vi) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Association compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Association considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost of effort.

Despite the foregoing, the Association assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. The financial instrument has a low risk of default;
2. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Association regularly monitors effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(vii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1. Significant accounting policies (cont'd)

(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 December 2022 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 period.

(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.

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

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

Valuation of Knox Facility
The Knox Football Facility is a key resource utilised by 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 expected initial lease term of 10 years.

1. Significant accounting policies (cont'd)

(r) Significant management judgement in applying accounting policies(cont'd)

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. 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.

(s) Going Concern and Working Capital Management

The financial report has been prepared on the going concern basis, which considers:

- The reported surplus of $19,588,299 which includes capital grants of $21,005,165 utilised on the Home of Matildas;
- A current asset surplus of $203,145 (2021: $964,173);
- Unused borrowings of $500,000 available as an overdraft; and
- Expectations of future operating results and positive operating cash flows.

Subsequent to balance date the Investment Property has been sold and will realise proceeds of $3.35m in the financial year ending 31 December 2024. Further, subsequent to balance date, borrowing facilities have been increased by $500,000 (available for working capital) and a further $1,500,000 that will be utilised to complete the Home of Matildas and repaid upon the settlement of the sale of the Investment Property.

		Fourteen months ended 31 December 2022 $	Year ended 31 October 2021 $
NOTE 2: REVENUE			
2(a) Operating revenue			
- Registration fees		6,377,398	5,182,782
- Team entry fees		3,359,013	2,609,938
- Sponsorships and licence fees		367,214	112,641
- Grants – Program revenue		1,655,937	457,051
- Coaching and development		324,746	271,307
- Tribunal fines and appeals		7,250	5,250
- Referees levies and fees		96,698	37,197
- Events		251,189	60,044
- Talented player development		989,980	524,313
- Venue and retail operations		591,327	359,820
- Broadcast rights		504,441	303,213
		14,525,193	**9,923,556**
2(b) Other Revenue			
- Rental Income from Investment Property		153,327	129,571
- Other Revenue		189,490	495,805
- Fines and disciplinary sanctions		330,909	188,625
- Government Grants – Home of Matilda's capital funding		21,005,165	1,497,639
- Government Grants – JobKeeper		-	619,800
- Government Grants – Other subsidies		-	1,332,388
Finance Income			
- Bank Interest		313,929	16,801
Total other revenue		**21,992,820**	**4,280,629**
NOTE 3: EXPENSES INCLUDED IN PROFIT OR LOSS			
Employee benefits expense:			
- Salaries and Wages		6,577,465	5,460,024
- Superannuation		652,249	512,483
- Payroll Tax and Workers Compensation		422,147	318,278
		7,651,861	**6,290,785**
Depreciation of non-current assets:			
- Football Centre Knox	Note 7	33,660	201,961
- Computer Systems	Note 7	43,170	37,242
- Sport and Office Equipment	Note 7	34,083	40,233
- Right-of-use Assets	Note 8	651,483	478,218
		762,396	**757,654**
Finance costs and borrowings paid:			
- Bank interest		37,439	31,257
- Interest on lease liabilities		439,908	29,901
		477,347	**61,158**

	Fourteen months ended 31 December 2022 $	Year ended 31 October 2021 $
NOTE 3: EXPENSES INCLUDED IN PROFIT OR LOSS (cont'd)		
Operating Expenses:		
- Game development	1,342,760	541,947
- Referees' administration and development	336,928	190,712
- Football operations, competitions and events	2,051,454	1,482,886
- Administration	1,757,863	1,415,615
- Doubtful debts	30,051	1,758
- IT expenses	257,338	160,726
- Broadcasting, sponsorship, marketing and communications	975,929	535,777
- Talented player development	911,918	414,270
- Venue and retail operations	373,869	211,084
	8,038,110	**4,954,775**

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank and on hand*	**24,216,941**	**5,613,255**

* Cash at bank as at 31 December 2022 includes $21.66m (2021: $115k) received from the State Government in relation to milestone payments for Home of Matildas Capital grant funding.

NOTE 5: TRADE AND OTHER RECEIVABLES

Trade receivables*	818,231	14,359,241
Provision for doubtful debts	(50,000)	(50,000)
	768,231	**14,309,241**
Other receivables	420,207	24,900
	1,188,438	**14,334,141**

* Trade receivables as at 31 October 2021 includes $13,200,000 receivable from the State Government in relation to milestone payments for Capital grant funding. This was receipted by the Association in early November 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	**290,037**	**228,462**
NON-CURRENT		
Funds advanced for pitch replacement	**715,000**	**715,000**

FV has contracted commitments to a future pitch replacement fund at the Knox facility, noting that cumulative contributions have been made of $715,000 toward this fund. 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 in 2024.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	Fourteen months ended 31 December 2022 $	Year ended 31 October 2021 $
Land and buildings		
State Football Centre – Darebin	830,241	830,241
Less: accumulated depreciation	(830,241)	(830,241)
	-	-
Football Centre – Knox	1,598,999	1,598,999
Less: accumulated depreciation	(1,598,999)	(1,565,339)
	-	33,660
Total land and buildings	**-**	**33,660**
Plant and equipment		
Computer systems	413,927	357,972
Less: accumulated depreciation	(368,433)	(325,502)
	45,494	32,470
Sport and office equipment	503,438	1,163,517
Less: accumulated depreciation	(376,573)	(865,295)
	126,865	298,222
Work in Progress - Home of Matilda’s facility	22,808,914	1,497,639
	22,808,914	1,497,639
Total plant and equipment	**22,981,273**	**1,828,331**
Total property, plant and equipment	**22,981,273**	**1,861,991**

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

31 December 2022	**Football Centre – Knox**	**Computer Systems**	**Sport and Office Equipment**	**Work in Progress – Home of Matilda's facility**	**Total**
	$	**$**	**$**	**$**	**$**
Balance at the beginning of period	**33,660**	**32,470**	**298,222**	**1,497,639**	**1,861,991**
Additions	-	58,495	32,193	21,311,275	21,401,963
Disposals	-	(2,300)	(169,468)	-	(171,768)
Depreciation expense	(33,660)	(43,171)	(34,082)	-	(110,913)
Carrying amount at the end of period	**-**	**45,494**	**126,865**	**22,808,914**	**22,981,273**

NOTE 8: RIGHT-OF-USE ASSETS

2022	Buildings	Motor Vehicles	Office Equipment	Total
	$	$	$	$
Cost				
At 31 October 2021	1,038,528	**536,946**	**66,799**	1,642,273
Additions	8,802,491	-	-	8,802,491
Disposals	(1,038,528)	-	-	(1,038,528)
At 31 December 2022	**8,802,491**	**536,946**	**66,799**	**9,406,236**
Accumulated depreciation				
At 31 October 2021	(712,134)	(373,018)	(37,282)	(1,122,434)
Disposal	1,038,528	-	-	1,038,528
Depreciation expense	(512,161)	(117,574)	(21,748)	(651,483)
At 31 December 2022	**(185,767)**	**(490,592)**	**(59,030)**	**(735,389)**
Carrying Amount				
At 31 October 2021	**326,394**	**163,928**	**29,517**	**519,839**
At 31 December 2022	**8,616,724**	**46,354**	**7,769**	**8,670,847**

	31 December 2022	31 October 2021
Amounts recognised in the profit and loss	$	$
Amortisation expense on right-of-use assets	651,483	478,218
Interest expense on lease liabilities	439,908	29,901

	Fourteen months ended 31 December 2022 $	Year ended 31 October 2021 $
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 period	3,000,000	3,000,000
Fair value adjustments	-	-
Balance at end of the period	**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	2,119,317	3,486,799
Other payables and accruals	4,621,025	1,918,483
	6,740,342	**5,405,282**
NOTE 11: EMPLOYEE BENEFITS		
CURRENT		
Annual leave	418,730	574,701
Long service leave	93,942	129,803
	512,672	**704,504**
NON-CURRENT		
Long service leave	**91,381**	**85,924**
(a) Aggregate employee benefits	604,053	790,428
(b) Number of full-time equivalent employees at period end	68	63
NOTE 12: INCOME IN ADVANCE		
CURRENT		
Income in advance*	**18,163,872**	**12,519,468**

* Note that this balance as at 31 December 2022 includes $17,497,197 (2021: $11,502,361) invoiced but not yet spent in relation to the Home of Matilda’s Capital works.

NOTE 13: LEASE LIABILITIES		
Current	8,385	515,431
Non-current	9,242,399	11,693
	9,250,784	**527,124**
NOTE 14: OTHER PROVISION		
NON-CURRENT		
Make Good Provision	**-**	**181,200**

	Fourteen months ended 31 December 2022 $	Year ended 31 October 2021 $
NOTE 15: Borrowings		
CURRENT	67,000	67,000
NON-CURRENT	263,000	397,000
Credit Standby Arrangements with banks		
Lending facility	330,000	464,000
Amount utilised	330,000	464,000
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 that the investment property as disclosed in note 9 is being used as security over these borrowings.

NOTE 16: KEY MANAGEMENT PERSONNEL DISCLOSURES

Transactions with key management personnel

The key management personnel compensation included in 'employee expenses' are as follows:	**1,575,236**	**1,213,640**

NOTE 17: AUDITORS REMUNERATION

Audit or review of the financial report	59,500	50,500
Other non-audit services	6,000	3,500
	65,500	**54,000**

The Auditor of FV is Deloitte Touche Tohmatsu

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

Note that the Investment Property as disclosed in Note 9 at 236 Dorcas Street South Melbourne has been sold post the end of the financial year. The Investment Property sold on 22nd November 2023 at public auction for a price of $3.35m.

Post the end of the financial year, FV have also made a number of changes to the Borrowings disclosed in Note 15 with National Australia Bank as follows:

- Increase in Working Capital Lending Facility from $330,000 to $830,000.
- New Short-Term Lending Facility of $1,500,000, drawn against the Contract of Sale of 236 Dorcas Street South Melbourne.

No other matters or circumstances have arisen since the end of the financial period, 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.