

**Football Federation Australia Limited**

**ACN 106 478 068**

***Financial Report for the financial year ended 30 June 2009***

**Football Federation Australia Limited - ACN 106 478 068**  
**Annual Financial Report for the financial year ended 30 June 2009**

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## **Directors' Report**

### **Directors**

The directors of Football Federation Australia Limited ("**the company**") submit herewith the annual financial report for the year ended 30 June 2009 ("**the financial year**"). In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names and particulars of the directors of the company during or since the end of the financial year are:

#### ***Mr F Lowy AC, Chairman***

Mr Lowy was appointed to the board on 26 September 2003. Mr Lowy is Executive Chairman and co-founder of the Westfield Group. He is the founder and Chairman of the Lowy Institute for International Policy and a member of The Brookings Institution's International Advisory Council. In 2008, Mr Lowy was appointed a member of the Organising Committee for the FIFA World Cup.

#### ***Mr B Schwartz AM, Deputy Chairman***

Mr Schwartz was appointed to the board on 26 September 2003. Mr Schwartz is a non-executive director of Insurance Australia Group Limited, Brambles Limited and the Westfield Group and a member of the Federal Government's Australian Multicultural Advisory Council. In 2005 he was appointed as CEO of Investec Bank (Australia) Limited. Although he recently retired, he remains a consultant to the Bank. Prior to this he was a Partner of Ernst & Young Australia, becoming its Chief Executive in 1998. Mr Schwartz is Chairman of the Audit Committee.

#### ***Ms M Dodd, Director***

Ms Dodd was appointed to the board on 3 June 2007. Ms Dodd is a partner of Gilbert + Tobin Lawyers and is a member of the firm's Competition and Regulation group. Ms Dodd was previously Vice President of CRA International. She is a former Vice-Captain and played for the Matildas from 1986-1995. She also serves as a Vice-President of the Asian Football Confederation, and chair of its Legal Committee.

#### ***Mr AL Owen, Director***

Mr Owen was appointed to the board on 3 June 2007. From January 2000 to September 2006, Mr Owen was the Group Chief Executive of AXA Asia Pacific Holdings Limited. He was previously the Chief Executive of AXA Sun Life plc in the UK and was a member of the Global AXA Group Executive Board. From 2002 to 2007 Mr Owen was a member of the Australian Treasurer's Financial Sector Advisory Committee. Mr Owen is a non-executive director of Computershare and Discovery Holdings.

#### ***Mr J Reilly, Director***

Mr Reilly was appointed to the board on 20 June 2007. Mr Reilly has operated in the Australian financial sector for over 35 years at the highest level in both the private and public sectors. He was previously the Managing Director of Group Holdings Ltd and Chairman of Council of Authorised Money Market Dealers. He served in the public sector as Deputy Secretary of the Victorian Treasury and as a Director of Victorian Funds Management Corporation Ltd, State Trustees Ltd and the Urban and Regional Land Corporation. Mr Reilly is a former Socceroos goalkeeper and played during the World Cup campaign of 1974. He was inducted into the Australian Soccer Association Hall of Fame in 2004. Mr Reilly was appointed to the Audit Committee on 20 June 2007.

#### ***Mr R Walker AC CBE, Director***

Mr Walker was appointed to the board on 26 September 2003. Mr Walker has been a prominent businessman in Australia for more than 30 years and was Lord Mayor of Melbourne from 1974 to 1976. Mr Walker was co-founder, director and major shareholder of Hudson Conway Limited and co-founder of Crown Casino Limited. Mr Walker is Chairman of Fairfax Media Limited and a Director of WAM Active Limited. Mr Walker's current honorary roles include Chairman of the Australian Grand Prix Corporation; Chairman of the Microsurgery Foundation at Saint Vincent's Hospital Melbourne and Director of the Australian Tissue Engineering Centre. He is also a Member of the International Formula One Commission.

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**Directors' Report (continued)**

**Mr P Wolanski AM, Director**

Mr Wolanski was appointed to the board on 26 September 2003. Mr Wolanski is a managing director of DW & Co Pty Ltd, a property development and investment company. Mr Wolanski is a member of the Governing Committee of the Temora Aviation Museum Limited.

**Ms Joanne Setright, Company Secretary**

Ms Setright joined Football Federation Australia on 2 July 2007. Ms Setright was previously Chief of Staff at The Smith Family and held senior management positions at Telstra Stadium including Deputy Chief Executive Officer, Chief Operating Officer and General Counsel.

**Principal activities**

The principal activities of the company in the course of the financial year were the promotion, development and control of the game of association football in Australia. No significant changes in the nature of these activities occurred during the year.

**Review of operations**

The surplus from ordinary activities for the financial year was \$3,434,143 (2008 Surplus: \$12,959,157). At the end of the financial year the surplus in Members' equity was \$4,624,266 (2008: surplus \$1,190,123).

The company's financial performance follows a four year cycle related to the FIFA World Cup calendar.

The 2009 financial year was the third year of the current four year cycle and as such one-off World Cup related income did not occur. The final year of the 2010 cycle will include income being generated as a direct result of participation in the 2010 FIFA World Cup Finals.

This financial year did see continued growth in underlying revenues including ongoing contributions from Federal Government Grants however these were offset by continued investment in several areas to strengthen the future of the game along with costs related to qualification for the 2010 FIFA World Cup Finals.

Key elements of the strategy of the company reflected in the financial performance during the financial year include the following:

- The company's decision to bid for the 2018 or 2022 FIFA World Cup. In December 2008 the Federal Government announced a grant of \$45.6 million over three financial years to support the bid and the initial progress payment of \$7.9 million was received in June 2009. An equivalent level of expenditure to support the Bid was incurred in the current year.
- The Qantas Socceroos participation in the final round of qualification for the 2010 FIFA World Cup Finals, the first through the Asian Football Confederation (AFC). While the increased activity resulted in improved broadcast revenues it also significantly increased related costs including bonuses paid for qualification to the 2010 FIFA World Cup.
- The company was able to secure improved sponsorship contracts as a result of the increasing profile of football in Australia. This is offset by a reduction in gate receipts, despite five home matches for the Qantas Socceroos, due to the extraordinary impact of the gate receipts from the Sydney FC v LA Galaxy match held during the previous financial year.
- Continued participation of nine national teams in AFC qualification matches and tournaments throughout the region (Asia and the Middle East), including the AFC Asian Cup.
- Expansion of the Hyundai A-League to include two new teams (Gold Coast United and North Queensland Fury), together with continuing financial grants for each club. In the last quarter of 2008-09, the company also assumed 100% ownership of Adelaide United Football Club.

In 2008 financial year the company released the National Football Development Plan, a major blueprint for the development of football in Australia encompassing grassroots and community as well as talented player

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identification and development programs and initiatives. Given the company's stronger financial performance, the Board approved ongoing investments in several areas to be funded to strengthen the future of the game.

In the current year these included implementation of several key initiatives identified in the National Football Development Plan including:

- The National Youth League involving the Hyundai A-League clubs, providing a pathway for talented young players aspiring to play in the Hyundai A-League and participate in national teams.
- The national women's competition – the Westfield W-League broadcast on ABC television.
- Small-sided games across the youngest age groups across the country. This will continue to be implemented over the next two years to age groups up to and including Under 10.
- The development of a national coaching curriculum resulting in standard curricula and resources for coaches from grassroots to elite level under a common national curriculum framework.
- The introduction of a greatly enhanced program for the recruitment, education and retention of referees at both grassroots and elite levels.
- The introduction of an Indigenous Football Development Program aimed at contributing to improved health and social outcomes for Aboriginal and Torres Strait Islander people as well as increasing participation in football from within these communities. The Program includes an annual Indigenous Football Festival first held in July 2009.
- The introduction of the Australian Football Awards which integrates annual awards to celebrate the entire football family.

#### **Changes in state of affairs**

During the financial year there was no significant change in the state of affairs of the company.

#### **Subsequent events**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

#### **Future developments**

The company is committed to ensuring comprehensive preparation for all national teams, the successful conduct of the Hyundai A-League and the harmonisation of the control and administration of the game of association football at all levels throughout Australia.

#### **Environmental regulations**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

#### **Dividends**

In accordance with the company's constitution no dividends or distributions have been either paid to members, or recommended or declared for payment to members during the financial year.

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**Directors' meetings**

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 6 board meetings and 6 audit committee meetings were held.

Directors	Board of Directors		Audit Committee	
	Held	Attended	Held	Attended
F Lowy AC	6	6	-	-
B Schwartz AM	6	5	6	6
M Dodd	6	6	-	-
AL Owen	6	5	-	-
J Reilly	6	6	6	6
R Walker AC CBE	6	3	-	-
P Wolanski AM	6	6	-	-

**Directors' benefits**

Directors are prohibited from receiving payment from the company for services as a director.

No other director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit other than a benefit shown in the financial report.

Further details of relevant transactions are set out in Note 17 to the financial statements.

**Indemnification of officers and auditors**

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company, the company secretary and all executive officers of the company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

**Proceedings on behalf of the company**

No person has applied for leave under s.237 of the Corporations Act 2001 to bring, or intervene in, proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the financial year.

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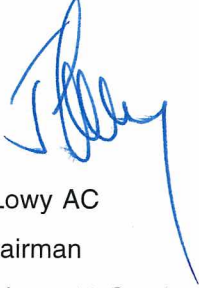
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**Auditor's Independence declaration**

The auditor's independence declaration is included on page 8 of the financial report.

Signed in accordance with a resolution of directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the directors



F Lowy AC  
Chairman

Sydney, 12 October 2009



B Schwartz AM  
Deputy Chairman

Sydney, 12 October 2009

The Board of Directors  
Football Federation Australia Limited  
Level 22, 1 Oxford Street  
Darlinghurst NSW 2010

12 October 2009

Dear Board Members

**Football Federation Australia Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Football Federation Australia Limited.

As lead audit partner for the audit of the financial statements of Football Federation Australia Limited for the financial year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Stephen Holdstock  
Partner  
Chartered Accountants



## **Independent Auditor's Report to the members of Football Federation Australia Limited**

We have audited the accompanying financial report of Football Federation Australia Limited ("the company"), which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 11 to 38.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the consolidated financial statements and notes comply with International Financial Reporting Standards.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report

# Deloitte.

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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

## *Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

## *Auditor's Opinion*

In our opinion:

- (a) the financial report of Football Federation Australia Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

  
DELOITTE TOUCHE TOHMATSU



Stephen Holdstock  
Partner  
Chartered Accountants  
12 October 2009

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**Directors' Declaration**

The directors declare that:

- a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as they become due and payable; and
- b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the directors



F Lowy AC  
Chairman

Sydney, 12 October 2009



B Schwartz AM  
Deputy Chairman

Sydney, 12 October 2009

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**Annual Financial Report for the financial year ended 30 June 2009**

**Income Statement**  
**for the financial year ended 30 June 2009**

	Note	Consolidated		Company	
		2009 \$	2008 \$	2009 \$	2008 \$
Revenue	2	96,836,530	85,036,989	96,836,530	85,036,989
Employee & Team Benefits		(24,584,001)	(17,759,241)	(23,779,329)	(17,759,241)
Grants & Distributions		(12,686,744)	(12,502,003)	(12,986,744)	(12,502,003)
Travel		(15,774,058)	(10,487,227)	(15,774,058)	(10,487,227)
Marketing & Media		(12,862,826)	(5,721,420)	(12,862,826)	(5,721,420)
Event Hosting		(5,431,665)	(8,795,703)	(5,431,665)	(8,795,703)
Administration		(2,555,842)	(2,219,693)	(2,555,842)	(2,219,693)
Broadcasting		(2,905,514)	(3,360,515)	(2,905,514)	(3,360,515)
Other Team Expenses		(2,231,955)	(3,119,632)	(2,231,955)	(3,119,632)
Professional & Consultants		(7,616,537)	(2,401,071)	(7,616,537)	(2,401,071)
Commissions		(2,709,627)	(2,007,590)	(2,709,627)	(2,007,590)
Communication & Technology		(1,603,919)	(1,306,867)	(1,603,919)	(1,306,867)
Insurance		(908,169)	(777,394)	(908,169)	(777,394)
Finance Costs		(207,959)	(33,022)	(207,959)	(33,022)
Other		(1,323,571)	(1,586,454)	(963,666)	(1,586,454)
<b>Surplus before income tax expense</b>	3	<b>3,434,143</b>	<b>12,959,157</b>	<b>4,298,720</b>	<b>12,959,157</b>
Income tax expense	1 (i)	-	-	-	-
<b>Surplus for the year</b>		<b>3,434,143</b>	<b>12,959,157</b>	<b>4,298,720</b>	<b>12,959,157</b>

Notes to the financial statements are included on pages 16 to 38

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**Balance Sheet  
as at 30 June 2009**

	Note	Consolidated		Company	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Current Assets</b>					
Cash and cash equivalents	4	10,620,843	9,217,180	10,281,474	9,217,180
Trade receivables	5	23,369,809	8,917,494	22,460,913	8,917,494
Inventory		51,910	127,892	51,910	127,891
Prepayments		5,642,852	2,439,369	5,607,458	2,439,369
<b>Total Current Assets</b>		<b>39,685,414</b>	<b>20,701,935</b>	<b>38,401,755</b>	<b>20,701,935</b>
<b>Non-Current Assets</b>					
Property, plant and equipment	6	2,429,136	874,514	2,428,385	874,514
Loan receivables	5	-	716,498	-	716,498
Intangible assets	7	696,978	407,158	696,978	407,158
Other financial assets	8	500,002	500,002	500,003	500,002
<b>Total Non-Current Assets</b>		<b>3,626,116</b>	<b>2,498,172</b>	<b>3,625,366</b>	<b>2,498,172</b>
<b>Total Assets</b>		<b>43,311,530</b>	<b>23,200,107</b>	<b>42,027,121</b>	<b>23,200,107</b>
<b>Current Liabilities</b>					
Trade and other payables	9	13,354,466	10,072,356	12,641,782	10,072,356
Borrowings	10	-	-	-	-
Provisions	11	979,469	696,552	913,775	696,552
Other	12	20,277,691	7,170,591	18,907,083	7,170,591
<b>Total Current Liabilities</b>		<b>34,611,626</b>	<b>17,939,499</b>	<b>32,462,640</b>	<b>17,939,499</b>
<b>Non-Current Liabilities</b>					
Borrowings	10	3,455,545	3,360,563	3,455,545	3,360,563
Provisions	13	75,638	70,486	75,638	70,486
Other	12	544,455	639,437	544,455	639,437
<b>Total Non-Current Liabilities</b>		<b>4,075,638</b>	<b>4,070,486</b>	<b>4,075,638</b>	<b>4,070,486</b>
<b>Total Liabilities</b>		<b>38,687,264</b>	<b>22,009,984</b>	<b>36,538,278</b>	<b>22,009,984</b>
<b>Net Assets</b>		<b>4,624,266</b>	<b>1,190,123</b>	<b>5,488,843</b>	<b>1,190,123</b>
<b>Members' Equity</b>					
Accumulated surplus	21	4,624,266	1,190,123	5,488,843	1,190,123
Investment revaluation reserve	22	-	-	-	-
<b>Members' Surplus</b>		<b>4,624,266</b>	<b>1,190,123</b>	<b>5,488,843</b>	<b>1,190,123</b>

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**Statement of Changes in Equity**  
**as at 30 June 2009**

Consolidated	Accumulated surplus / (deficit)	Investment revaluation reserve	Total attributable to members of the entity
	\$	\$	\$
<b>Balance at 30 June 2007</b>	(11,769,034)	250,000	(11,519,034)
Surplus for the period	12,959,157	-	12,959,157
Realised gain on available for-sale- investments	-	(250,000)	(250,000)
<b>Balance at 30 June 2008</b>	1,190,123	-	1,190,123
Surplus for the period	3,434,143	-	3,434,143
<b>Balance at 30 June 2009</b>	4,624,266	-	4,624,266
<b>Company</b>	<b>Accumulated surplus / (deficit)</b>	<b>Investment revaluation reserve</b>	<b>Total attributable to members of the entity</b>
	\$	\$	\$
<b>Balance at 30 June 2007</b>	(11,769,034)	250,000	(11,519,034)
Surplus for the period	12,959,157	-	12,959,157
Realised gain on available for-sale- investments	-	(250,000)	(250,000)
<b>Balance at 30 June 2008</b>	1,190,123	-	1,190,123
Surplus for the period	4,298,720	-	4,298,720
<b>Balance at 30 June 2009</b>	5,488,843	-	5,488,843

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**Cash Flow Statement**  
**for the financial year ended 30 June 2009**

	Note	Consolidated		Company	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Receipts from customers, Government and sponsors		95,948,199	81,321,561	95,486,487	81,321,561
Interest received		259,614	80,744	259,614	80,744
Payments to suppliers and employees		(91,967,186)	(70,949,971)	(91,845,593)	(70,949,971)
Interest and other costs of finance paid		(207,959)	(382,355)	(207,959)	(382,355)
<b>Net cash provided by operating activities</b>	14(a)	<b>4,032,668</b>	<b>10,069,980</b>	<b>3,692,549</b>	<b>10,069,980</b>
<b>Cash flows from investing activities</b>					
Payment for investments		-	-	(1)	-
Proceeds on sale of investments		-	750,000	-	750,000
Payments for property, plant and equipment		(2,069,385)	(259,242)	(2,068,634)	(259,242)
Payments for intangible assets		(559,620)	(400,164)	(559,620)	(400,164)
Proceeds from sale of property, plant and equipment		-	-	-	-
<b>Net cash (used in)/provided by operating activities</b>		<b>(2,629,005)</b>	<b>90,594</b>	<b>(2,628,255)</b>	<b>90,594</b>
<b>Cash flows from financing activities</b>					
Repayment of borrowings		-	-	-	-
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,403,663</b>	<b>10,160,574</b>	<b>1,064,294</b>	<b>10,160,574</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>9,217,180</b>	<b>(943,394)</b>	<b>9,217,180</b>	<b>(943,394)</b>
<b>Cash and cash equivalents at the end of the financial year</b>	14(b)	<b>10,620,843</b>	<b>9,217,180</b>	<b>10,281,474</b>	<b>9,217,180</b>

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**Notes to the Financial Statements**

**1. Summary of accounting policies**

**Financial reporting framework**

The financial report is a general purpose financial report, which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the financial statements and notes of the company comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 12 October 2009.

**Basis of preparation**

The financial report has been prepared on the basis of historical cost except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

In the application of A-IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgements made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concept of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

**a) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and the entity controlled by the company, namely Adelaide United Football Club Pty Ltd ("AUFC"). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of AUFC acquired during the year are included in the consolidated income statement from the effective date of acquisition. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. In the separate financial statements of the company, intra-group transactions are generally accounted for by reference to the existing book value of the items.

**b) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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**Notes to the Financial Statements**

**1. Summary of accounting policies (continued)**

**c) Company limited by guarantee**

Every member of the company undertakes, in accordance with the Constitution of the company, to contribute such amount (not exceeding \$20.00) as may be required in the event of the winding up of the company during the time that they are a member or within one year afterwards. At 30 June 2009 the number of members was 9, being the various State and Territory Federations (2008: 9).

**d) Employee benefits**

A provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of other employee benefits, which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

**e) Financial assets**

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: available for sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

Available for-sale-investments

Investments in unquoted equity investments as disclosed in Note 8 are measured at fair value. The fair value of the shares in the unquoted entity as at 30 June 2009 has been determined by taking into account new investment in the market place in other A league clubs during the period together with other market factors.

**f) Foreign currency**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date.

Exchange differences are recognised in surplus or deficit in the period in which they arise.

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**Annual Financial Report for the financial year ended 30 June 2009**

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**Notes to the Financial Statements**

**1. Summary of accounting policies (continued)**

**g) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**h) Impairment of assets**

Impairment of financial assets

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment deficit directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment deficit decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment deficit is recognised through surplus or deficit to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increases in fair value after an impairment deficit is recognised directly in equity.

Impairment of other tangible and intangible assets

At each reporting date, the company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment deficit. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment deficit (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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**Notes to the Financial Statements**

**1. Summary of accounting policies (continued)**

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment deficit is recognised in surplus and deficit immediately.

Where an impairment deficit subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment deficit been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment deficit is recognised in surplus and deficit immediately.

**i) Income tax**

No provision has been made for income tax as the company is exempt in accordance with the terms of s50-45 of the Income Tax Assessment Act 1997.

**j) Intangible assets**

Trademarks

Trademarks are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated useful life of 10 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Capitalised information technology costs

Capitalised information technology costs are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated useful life of 3 years.

**k) Non-cash items**

Non-cash items received by way of marketing, sponsorship and contra agreements are recognised on a fair value basis on the fair value of the non-cash items received.

**l) Trade and other payables**

Trade payables and other payables are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

**l) Borrowings**

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in surplus and deficit over the period of the borrowing using the effective interest rate method. Borrowing costs are recognised in surplus or deficit in the period in which they are incurred.

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**Annual Financial Report for the financial year ended 30 June 2009**

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**Notes to the Financial Statements**

**1. Summary of accounting policies (continued)**

**m) Property, plant and equipment**

Leasehold property, furniture, fittings and office equipment, motor vehicles and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful life, residual values and depreciation method are reviewed at the end of each annual reporting period. The following rates are used in the calculation of depreciation:

<b>Class of Asset</b>	<b>Depreciation Rate</b>
Furniture, fittings and office equipment	20% - 33%
Leasehold property	2%
Leasehold improvements	20%
Motor vehicles	20%

**n) Provisions**

Provisions are recognised when the company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

**o) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from grants is recognised on an accruals basis over the period to which the grant relates except when the grants are assigned to a specific activity, in which case the revenue is assigned to the specific activity when it occurs. Grants received in advance are deferred and recognised as a liability.

Revenue from sponsorship contracts is recognised on an accruals basis over the period in which the benefits are earned under the contract. Sponsorship income received in advance is deferred and recognised as a liability.

Revenue from registration, license, affiliation and other fees is recognised on an accruals basis.

National registration fees are received for the ensuing calendar year. Fees received in advance are deferred and recognised as a liability.

Revenue from broadcasting and other rights is recognised on an accruals basis over the period in which the benefits are earned under the contract.

Revenue from gate receipts is recognised on an accruals basis in the period in which the games which produce the gate receipts occur.

**Football Federation Australia Limited - ACN 106 478 068**  
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**Notes to the Financial Statements**

**1. Summary of accounting policies (continued)**

Revenue from governments for the hosting of events is recognised on an accruals basis in the period in which the events occur.

Finance income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Merchandising and other income are recognised on an accruals basis.

**p) Leased assets**

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**q) Inventory**

Inventory is valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

**r) New accounting standards and interpretations not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The directors' assessment of the impact of these new standards (to the extent relevant to the company) and interpretations is set below:

- AASB 101 'Presentation of Financial Statements' (revised September 2007) is applicable for annual reporting periods beginning on or after 1 January 2009. The company has not adopted this standard early. Application of this standard will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently made in relation to the consolidated entity's and company's financial report.
- AASB 8 'Operating Segments' and AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'. AASB 8 and AASB 2007-3 are applicable to annual reporting period beginning on or after 1 January 2009. The company has not adopted these standards early. Application of these standards will not affect any of the amounts recognised in the financial statements.
- AASB 2009-2 Amendments to Australian Accounting Standards – Improving disclosures about financial instruments is applicable for reporting periods beginning on or after 1 January 2009. It amends AASB 7 Financial Instruments: Disclosures to require enhanced disclosures about fair value measurements and liquidity risk.

Among other things, the amendments:

- Clarify that the existing AASB 7 fair value disclosures must be made separately for each class of financial instrument
- Add disclosure of any change in the method for determining the fair value and the reasons for the change
- Establish a three-level hierarchy for making fair value measurements used in the disclosures

Comparative information is not required to be provided in the first year the amendments are applied. Application of this standard will affect the financial instruments disclosures provided in note 20.

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**Annual Financial Report for the financial year ended 30 June 2009**

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**Notes to the Financial Statements**

**1. Summary of accounting policies (continued)**

*Adoption of new and revised accounting standards*

In the current year, the company has adopted all the new and revised Standards, and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the notes to the financial statements set out below.

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**Notes to the Financial Statements**

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>2. Revenue</b>				
<b>(a) Operating revenue</b>				
Broadcasting	23,630,965	19,721,310	23,630,965	19,721,310
Sponsorship	23,555,076	17,047,768	23,555,076	17,047,768
Gate receipts & catering	12,739,179	16,484,239	12,739,179	16,484,239
Registration & licence fees	6,393,977	4,664,549	6,393,977	4,664,549
Grants (i)	23,005,990	14,626,730	23,005,990	14,626,730
Host government assistance	2,800,278	5,331,817	2,800,278	5,331,817
Merchandising & resource sales	1,750,067	2,032,677	1,750,067	2,032,677
Prize money	-	378,966	-	378,966
Other	2,701,384	4,668,190	2,701,384	4,668,190
	<b>96,576,916</b>	<b>84,956,245</b>	<b>96,576,916</b>	<b>84,956,245</b>
<b>(b) Finance income</b>	259,614	80,744	259,614	80,744
	<b>96,836,530</b>	<b>85,036,989</b>	<b>96,836,530</b>	<b>85,036,989</b>

(i) Grant income for 2009 includes an amount of \$8.9m which relates to the World Cup Bid Government funding

**3. Surplus from ordinary activities**

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>(a) Expenses</b>				
<b>Other expenses from ordinary activities:</b>				
Net bad and doubtful debts	(2,492)	(69,663)	(2,492)	(69,663)
Depreciation of non-current assets:				
Property, plant and equipment	433,003	301,466	433,003	301,466
Amortisation of non-current assets:				
Intangible assets	269,800	391,912	269,800	391,912
Loss on disposal of property, plant and equipment	81,760	-	81,760	-
Profit on disposal on investment	-	250,000	-	250,000
Net foreign exchange gains/(losses)	16,794	(38,064)	16,794	(38,064)
Employee benefit expense - superannuation	921,101	674,401	868,766	674,401
Operating lease rental expenses	645,177	310,192	645,177	310,192



**Football Federation Australia Limited - ACN 106 478 068**  
**Annual Financial Report for the financial year ended 30 June 2009**

**Notes to the Financial Statements**

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>4. Cash and cash equivalents</b>				
Cash on hand	7,809	800	6,509	800
Cash at bank	10,613,034	9,216,380	10,274,965	9,216,380
	<b>10,620,843</b>	<b>9,217,180</b>	<b>10,281,474</b>	<b>9,217,180</b>

(i) \$449,000 (FY08 \$285,000) of the cash and cash equivalents balance is not available for use by the entity, this relates to cash held for lease and credit card guarantees.

**5. Receivables**

**Current**

Trade receivables (i) *	22,562,400	8,946,082	21,427,766	8,946,082
Less: Allowance for doubtful debts	(20,670)	(28,587)	(20,670)	(28,587)
Loan receivable	828,079	-	1,053,817	-
	<b>23,369,809</b>	<b>8,917,494</b>	<b>22,460,913</b>	<b>8,917,494</b>

**Non-current**

Loan receivable	-	716,498	-	716,498
Less: Allowance for doubtful debts	-	-	-	-
	<b>-</b>	<b>716,498</b>	<b>-</b>	<b>716,498</b>

(i) The average credit period on sales of goods is 60 days. No interest is charged on trade receivables. An allowance for bad and doubtful debts has been made for estimated irrecoverable amounts. This allowance has been based on recoverability of current balances due to current circumstances. The movement in the allowance of \$7,917 has been recognised in the income statement for the current financial year and the remainder was utilised to write off debt previously provided for.

\* \$6.5m of the Trade Debtors balance relates to World Cup Bid Grant monies receivable in July 2009

At 30 June 2009, total debtors of \$3,611,076 (2008 \$2,036,240m) were past due but not impaired

Past due but not impaired	2009	2008
1-30 days	1,954,862	1,135,400
31-60 days	114,148	3,674
61-90 days	510,934	897,166
>90 days	1,031,132	-

**Football Federation Australia Limited - ACN 106 478 068**  
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**Notes to the Financial Statements**

**6. Property, plant and equipment**

	Consolidated				Total
	Leasehold property	Furniture, fittings and office equipment	Motor vehicles	Leasehold improvements	
	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>					
<b>Balance at 30 June 2007</b>	350,000	1,049,881	30,563	290,042	1,720,486
Additions	-	258,943	299	-	259,242
Disposals	-	(1,955)	-	-	(1,955)
<b>Balance at 30 June 2008</b>	350,000	1,306,869	30,862	290,042	1,977,773
Additions	-	1,303,320	-	766,065	2,069,385
Disposals	-	(274,684)	-	(290,043)	(564,727)
<b>Balance at 30 June 2009</b>	<u>350,000</u>	<u>2,335,505</u>	<u>30,862</u>	<u>766,064</u>	<u>3,482,431</u>
<b>Accumulated depreciation</b>					
<b>Balance at 30 June 2007</b>	(26,197)	(656,526)	(6,481)	(114,544)	(803,748)
Depreciation expense	(7,019)	(230,150)	(6,129)	(58,168)	(301,466)
Disposals	-	1,955	-	-	1,955
<b>Balance at 30 June 2008</b>	(33,216)	(884,721)	(12,610)	(172,712)	(1,103,259)
Depreciation expense	(7,000)	(312,298)	(6,206)	(107,499)	(433,003)
Disposals	-	252,247	-	230,720	482,967
<b>Balance at 30 June 2009</b>	<u>(40,216)</u>	<u>(944,772)</u>	<u>(18,816)</u>	<u>(49,491)</u>	<u>(1,053,295)</u>
<b>Net book value</b>					
<b>Balance at 30 June 2008</b>	316,784	422,148	18,252	117,330	874,514
<b>Balance at 30 June 2009</b>	309,784	1,390,733	12,046	716,573	2,429,136

The carrying amount of Leasehold property, furniture, fittings and office equipment, motor vehicle and leasehold improvements is at cost.

The company holds a leasehold interest in:

Unit 2, Australian Soccer Federation House, 3 Phipps Close, Deakin ACT.

On 30 March 2009 an independent current market valuation by CB Richard Ellis (CBRE) was undertaken on the leasehold property, this valuation was \$150,000 higher than the carrying amount.

**Football Federation Australia Limited - ACN 106 478 068**  
**Annual Financial Report for the financial year ended 30 June 2009**

**Notes to the Financial Statements**

**6. Property, plant and equipment (cont)**

	Company				Total
	Leasehold property	Furniture, fittings and office equipment	Motor vehicles	Leasehold improvements	
	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>					
<b>Balance at 30 June 2007</b>	<b>350,000</b>	<b>1,049,881</b>	<b>30,563</b>	<b>290,042</b>	<b>1,720,486</b>
Additions	-	258,943	299	-	259,242
Disposals	-	(1,955)	-	-	(1,955)
<b>Balance at 30 June 2008</b>	<b>350,000</b>	<b>1,306,869</b>	<b>30,862</b>	<b>290,042</b>	<b>1,977,773</b>
Additions	-	1,302,570	-	766,065	2,068,635
Disposals	-	(274,685)	-	(290,043)	(564,728)
<b>Balance at 30 June 2009</b>	<b>350,000</b>	<b>2,334,754</b>	<b>30,862</b>	<b>766,064</b>	<b>3,481,680</b>
<b>Accumulated depreciation</b>					
<b>Balance at 30 June 2007</b>	<b>(26,197)</b>	<b>(656,526)</b>	<b>(6,481)</b>	<b>(114,544)</b>	<b>(803,748)</b>
Depreciation expense	(7,019)	(230,150)	(6,129)	(58,168)	(301,466)
Disposals	-	1,955	-	-	1,955
<b>Balance at 30 June 2008</b>	<b>(33,216)</b>	<b>(884,721)</b>	<b>(12,610)</b>	<b>(172,712)</b>	<b>(1,103,259)</b>
Depreciation expense	(7,000)	(312,298)	(6,206)	(107,499)	(433,003)
Disposals	-	252,247	-	230,720	482,967
<b>Balance at 30 June 2009</b>	<b>(40,216)</b>	<b>(944,772)</b>	<b>(18,817)</b>	<b>(49,491)</b>	<b>(1,053,295)</b>
<b>Net book value</b>					
<b>Balance at 30 June 2008</b>	<b>316,784</b>	<b>422,148</b>	<b>18,252</b>	<b>117,330</b>	<b>874,514</b>
<b>Balance at 30 June 2009</b>	<b>309,784</b>	<b>1,389,983</b>	<b>12,045</b>	<b>716,573</b>	<b>2,428,385</b>

**Football Federation Australia Limited - ACN 106 478 068**  
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**Notes to the Financial Statements**

**7. Intangible Assets**

**Consolidated and Company**

<b>Gross carrying amount</b>	<b>Trademarks</b>	<b>Information Technology</b>	<b>Total</b>
	\$	\$	\$
<b>Balance at 30 June 2007</b>	46,355	503,303	549,658
Additions	-	400,164	400,164
<b>Balance at 30 June 2008</b>	46,355	903,467	949,822
Additions	-	559,620	559,620
<b>Balance at 30 June 2009</b>	<b>46,355</b>	<b>1,463,087</b>	<b>1,509,442</b>
<b>Accumulated Amortisation</b>			
<b>Balance at 30 June 2007</b>	(7,094)	(144,378)	(151,472)
Amortisation expense	(4,648)	(386,544)	(391,192)
<b>Balance at 30 June 2008</b>	(11,742)	(530,922)	(542,664)
Amortisation expense	(4,636)	(265,164)	(269,800)
<b>Balance at 30 June 2009</b>	<b>(16,378)</b>	<b>(796,086)</b>	<b>(812,464)</b>
<b>Net book value</b>			
<b>Balance at 30 June 2008</b>	34,613	372,545	407,158
<b>Balance at 30 June 2009</b>	29,977	667,001	696,978

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**Notes to the Financial Statements**

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>8. Non-current financial assets</b>				
At fair value:				
Unlisted investment				
- shares in unquoted entities (a)	500,000	500,000	500,000	500,000
- shares in controlled entity (b)	2	2	3	2
	<b>500,002</b>	<b>500,002</b>	<b>500,003</b>	<b>500,002</b>

(a) Included in unlisted investments at fair value are shares in unquoted entities.

Name	Class of Share	Ownership Interest		Carrying Amount of Investment	
		2009	2008	2009	2008
		%	%	\$	\$
Central Coast FC Mariners Pty Ltd	Ord	10.16	10.29	500,000	500,000
		-	-	<b>500,000</b>	<b>500,000</b>

The above company is a holder of a license to participate in the Hyundai A-League competition. The ownership interest has reduced over the year as a result of 62,500 new shares being issued by the company.

(b) Included in unlisted investments at cost are shares in a controlled entity.

Name	Class of Share	Ownership Interest		Carrying Amount of Investment	
		2009	2008	2009	2008
		%	%	\$	\$
The "A" League Pty Limited *	Ord	100%	100%	2	2
Adelaide United Football Club Pty Limited	Ord	100%	-	1	-

\* The "A" League Pty Limited company has not been consolidated as it is a dormant company with no activity in the year.

	2009		2008	
	\$	\$	\$	\$
	<b>9. Current trade and other payables</b>			
Unsecured:				
Trade payables (i)	1,926,084	647,599	1,828,651	647,599
Other creditors and accruals	7,564,461	8,205,855	7,211,551	8,205,855
Royalties distribution	897,225	384,038	897,225	384,038
GST payable	2,640,831	673,550	2,485,105	673,550
Payroll clearing	243,672	72,323	219,250	72,323
Group tax clearing	82,193	88,992	-	88,992
	<b>13,354,466</b>	<b>10,072,356</b>	<b>12,641,782</b>	<b>10,072,356</b>

(i) The average credit period on purchases of goods is between 30 and 60 days. No interest is charged on trade payables.

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**Notes to the Financial Statements**

10. Borrowings	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Unsecured</b>				
<b>Current</b>				
Loan : Australian Sports Commission (i)	-	-	-	-
<b>Non-current</b>				
Loan : Australian Sports Commission	3,455,545	3,360,563	3,455,545	3,360,563
	<b>3,455,545</b>	<b>3,360,563</b>	<b>3,455,545</b>	<b>3,360,563</b>
Disclosed in the financial statements as:				
Current borrowings	-	-	-	-
Non-current borrowings	3,455,545	3,360,563	3,455,545	3,360,563
	<b>3,455,545</b>	<b>3,360,563</b>	<b>3,455,545</b>	<b>3,360,563</b>
	<b>3,455,545</b>	<b>3,360,563</b>	<b>3,455,545</b>	<b>3,360,563</b>
<p>(i) The ASC loan is repayable in four equal instalments on 31<sup>st</sup> Jan 2011, 31<sup>st</sup> July 2011, 31<sup>st</sup> Jan 2012 and 30<sup>th</sup> June 2013. The loan is carried at amortised cost. Interest repayments on this loan are due at the end of each financial year up to the final capital repayment date of 30<sup>th</sup> June 2013. The interest charged on this loan is half of: the government 10 year bond rate plus 3%.</p>				
<b>11. Current provisions</b>				
Employee benefits (note 16)	979,469	696,552	913,775	696,552
	<b>979,469</b>	<b>696,552</b>	<b>913,775</b>	<b>696,552</b>
	<b>979,469</b>	<b>696,552</b>	<b>913,775</b>	<b>696,552</b>
<b>12. Other liabilities</b>				
<b>Current</b>				
Income received in advance	20,277,691	7,170,591	18,907,083	7,170,591
	<b>20,277,691</b>	<b>7,170,591</b>	<b>18,907,083</b>	<b>7,170,591</b>
	<b>20,277,691</b>	<b>7,170,591</b>	<b>18,907,083</b>	<b>7,170,591</b>
<b>Non-current</b>				
Deferred Government grants	544,455	639,437	544,455	639,437
	<b>544,455</b>	<b>639,437</b>	<b>544,455</b>	<b>639,437</b>
	<b>544,455</b>	<b>639,437</b>	<b>544,455</b>	<b>639,437</b>
<b>13. Non-current provisions</b>				
Employee benefits (note 16)	75,638	70,486	75,638	70,486
	<b>75,638</b>	<b>70,486</b>	<b>75,638</b>	<b>70,486</b>
	<b>75,638</b>	<b>70,486</b>	<b>75,638</b>	<b>70,486</b>

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**Notes to the Financial Statements**

14. Notes to the cash flow statement	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
(a) Reconciliation of surplus for the year to cash flows from operating activities				
<b>Surplus from ordinary activities</b>	<b>3,434,143</b>	<b>12,959,157</b>	<b>4,298,720</b>	<b>12,959,157</b>
Amortisation of non-current assets	269,800	391,192	269,800	391,192
Depreciation of non-current assets	433,003	301,466	433,003	301,466
Loss on disposal of fixed assets	81,760	-	81,760	-
Profit on sale of investment	-	(250,000)	-	(250,000)
<b>(Increase)/decrease in assets:</b>				
Trade and loan receivables	(13,735,817)	(5,363,574)	(12,826,921)	(5,363,574)
Inventory	75,982	108,609	75,982	108,609
Other assets	(3,203,483)	(1,773,177)	(3,168,089)	(1,773,177)
<b>Increase/(decrease) in liabilities:</b>				
Trade and other payables	3,282,110	1,526,398	2,569,426	1,526,398
Other liabilities	13,107,100	1,978,891	11,736,492	1,978,891
Provisions for employee entitlement – current	282,917	167,421	217,223	167,421
Provisions for employee entitlement – non-current	5,153	23,598	5,152	23,598
<b>Net cash from operating activities</b>	<b>4,032,668</b>	<b>10,069,980</b>	<b>3,692,548</b>	<b>10,069,980</b>
(b) Reconciliation of cash and cash equivalents				
Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:				
Cash on hand	7,809	800	6,509	800
Cash at bank	10,613,034	9,216,380	10,274,965	9,216,380
	<b>10,620,843</b>	<b>9,217,180</b>	<b>10,281,474</b>	<b>9,217,180</b>

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**Notes to the Financial Statements**

**15. Leases**

**Operating leases**

Operating leases relate to office rental facilities with a lease term of 4 years, with an option to extend. All operating lease contracts contain market review clauses in the event that the company exercises its option to renew. The company does not have an option to purchase the leased asset at the expiry of the lease period.

	Consolidated		Company	
	2009	2008	2009	2008
Non-cancellable operating lease payments	\$	\$	\$	\$
Not longer than 1 year	588,173	212,602	588,173	212,602
Longer than 1 year and not longer than 5 years	1,708,248	-	1,708,248	-
	<b>2,296,421</b>	<b>212,602</b>	<b>2,296,421</b>	<b>212,602</b>

**16. Employee benefits**

The aggregate employee benefit liability recognised and included in the financial statements is as follows:

Provision for employee benefits:

Current (note 11)	979,469	696,552	913,775	696,552
Non-current (note 13)	75,638	70,486	75,638	70,486
	<b>1,055,107</b>	<b>767,037</b>	<b>989,413</b>	<b>767,037</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Number of employees at end of financial year	<b>129</b>	<b>62</b>	<b>85</b>	<b>62</b>



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**Notes to the Financial Statements**

**17. Related party transactions**

**Directors**

The names of each person holding the position of director of the company during the financial year were:

F Lowy AC, Chairman  
 B Schwartz AM, Deputy Chairman  
 AL Owen, Director  
 R Walker AC CBE, Director  
 P Wolanski AM, Director  
 M Dodd, Director  
 J Reilly, Director

No remuneration was paid to the directors during the financial year by the company or any related party in respect of their position as directors.

F Lowy AC, through a family related entity, had a majority shareholding in Sydney Football Club (FC) Pty Ltd, a Hyundai A-League football club, up until 3rd March 2009, when this amount was reduced to a minority holding.

During the year the company entered into transactions with Sydney Football Club (FC) Pty Ltd, which is the holder of a license in the Hyundai A-League competition, on normal commercial terms and conditions:

- The income earned by the company from these transactions for the period to 3 March 2009 was \$194,985 (year ended 30 June 2008: \$332,347) and the expenses incurred were \$1,075,425 (year ended 30 June 2008: \$1,701,024).

During the year the company received sponsorship revenue of \$1,500,000 (2008: \$1,000,000) from Westfield Limited, of which F Lowy AC is Executive Chairman.

P Wolanski AM has a minority shareholding in Sydney Football Club (FC) Pty Ltd, a Hyundai A-League football club.

As disclosed in notes 8 and 24 to the financial statements, the company has a 100% interest in Adelaide United Football Club at 30 June 2009 (2008: Nil). Since this interest was acquired, the company has prepaid a grant totaling \$300,000 to the club.

**Key management personnel**

The aggregate compensation of the key management personnel of the company, being members of the management committee, is set out below

	<u>Consolidated</u>		<u>Company</u>	
	2009	2008	2009	2008
	\$	\$	\$	\$
Short-term employee benefits	4,614,686	3,777,045	4,614,686	3,777,045
Post-employment benefits	159,754	129,250	159,754	129,250
	<u>4,801,532</u>	<u>3,906,295</u>	<u>4,801,532</u>	<u>3,906,295</u>

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**Notes to the Financial Statements**

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>18. Remuneration of auditors</b>				
Auditing the financial report	111,950	94,000	111,950	94,000
Other non audit services	-	-	-	-
	<b>111,950</b>	<b>94,000</b>	<b>111,950</b>	<b>94,000</b>

**19. Segment information**

The company operates predominantly in one business segment, the principal activity being the promotion, development and control of the game of association football, and one geographical segment, being Australia.

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**Notes to the Financial Statements**

**20 Financial instruments**

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 1 to the financial statements.

(b) Categories of financial instruments

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Financial Assets</b>				
Loans and receivables	23,369,809	9,633,992	22,460,913	9,633,992
Cash and cash equivalents	10,620,843	9,217,180	10,281,474	9,217,180
Available-for-sale financial assets	500,002	500,002	500,003	500,002
<b>Financial liabilities</b>				
Trade payables	1,926,084	647,599	1,828,651	647,599
Other creditors and accruals	8,496,298	8,310,362	8,118,966	8,310,362
Borrowings	3,455,545	3,360,563	3,455,545	3,360,563

(c) Financial risk management objectives

The company has adopted a policy of regularly reviewing its cash balances and managing its exposure to interest rate fluctuations on its cash and cash equivalents through the use of term deposits. The company has not adopted a policy for managing its exposure to foreign currency rate movements on foreign sourced income as the level of exposure is considered minimal. For credit risk, the company has a policy of dealing with successful and high profile organisations.

(d) Interest rate risk management

The company is exposed to interest rates on its cash and cash equivalents which are subject to floating interest rates on cash deposits.

The following table details the company's exposure to interest rate risk as at the reporting date.

	Average interest rate	Consolidated			Company		
		Amounts subject to variable interest rate	Amounts that are non-interest bearing	Total	Amounts subject to variable interest rate	Amounts that are non-interest bearing	Total
	%	\$	\$	\$	\$	\$	\$
<b>2009</b>							
<b>Financial assets</b>							
Cash and cash equivalents	2.5%	10,613,034	7,809	10,620,843	10,274,965	6,509	10,281,474
Trade and loan receivables			23,369,809	23,369,809		22,460,913	22,460,913
		10,613,034	23,377,618	33,990,652	10,274,965	22,467,422	32,742,387
<b>2009</b>							
<b>Financial liabilities</b>							
Trade payables			1,926,084	1,926,084		1,828,651	1,828,651
Other creditors and accruals	4.73%	3,455,545	8,496,298	8,496,298	3,455,545	8,118,966	8,118,966
Other loans				3,455,545			3,455,545
		3,455,545	10,422,382	13,877,927	3,455,545	9,947,617	13,403,162

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**Notes to the Financial Statements**

**20. Financial instruments (continued)**

	Consolidated			Total	Company		
	Average interest rate	Amounts subject to variable interest rate	Amounts that are non-interest bearing		Amounts subject to variable interest rate	Company Amounts that are non-interest bearing	Total
	%	\$	\$		\$	\$	\$
<b>2008</b>							
<b>Financial assets</b>							
Cash and cash equivalents	4.70%	9,216,380	800	<b>9,217,180</b>	9,216,380	800	<b>9,217,180</b>
Trade and loan receivables	-	-	9,633,992	<b>9,633,992</b>	-	9,633,992	<b>9,633,992</b>
	-	<b>9,216,380</b>	<b>9,634,792</b>	<b>18,851,172</b>	<b>9,216,380</b>	<b>9,634,792</b>	<b>18,851,172</b>
<b>2008</b>							
<b>Financial liabilities</b>							
Trade payables	-	-	647,599	<b>647,599</b>	-	647,599	<b>647,599</b>
Other creditors and accruals	-	-	8,310,362	<b>8,310,362</b>	-	8,310,362	<b>8,310,362</b>
Other loans	4.63%	3,360,563	-	<b>3,360,563</b>	3,360,563	-	<b>3,360,563</b>
	-	<b>3,360,563</b>	<b>8,957,961</b>	<b>12,318,524</b>	<b>3,360,563</b>	<b>8,957,961</b>	<b>12,318,524</b>

**Interest rate sensitivity analysis**

The company is exposed to interest rate risk as an amount has been borrowed from the Australian Sports Commission at a floating interest rate based on the 10 year Commonwealth Bond rate.

At the reporting date, if the Commonwealth Bond rate had been 50 basis points higher or lower and all other variables were held constant there would be no material effect on surplus for the year and net assets and therefore a sensitivity analysis has not been undertaken.

**(e) Market risk**

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer note 20(g)) and interest rates (refer note 20(d)). The company does not enter into any derivative financial instruments to manage against this exposure to interest rate and foreign currency risk as these risks are viewed as not material.

**(f) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

The company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The company, with regards to broadcasting, sponsorship and gate receipt income, has a policy of dealing with high profile organisations as a way of mitigating this risk.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the company's maximum exposure to credit risk.

**(g) Foreign currency risk**

The company is exposed to foreign currency rates in relation to prize money, grant income and event costs. Foreign currency risk is managed and assessed on an individual event basis. No derivative financial instruments were entered into during the financial year. The company does not have any material outstanding foreign currency denominated monetary items at 30<sup>th</sup> June 2009 or 30<sup>th</sup> June 2008. Accordingly, the company has not disclosed any foreign currency sensitivity analysis.

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**Notes to the Financial Statements**

**20. Financial instruments (continued)**

(h) Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values. The fair value of the shares in the unquoted entity as at 30 June 2009 is determined by taking into account the new investment in the market place in other A-League clubs during the period together with other market factors.

Financial assets	Consolidated		Company	
	Carrying amount 2009 \$	Cost 2009 \$	Carrying amount 2008 \$	Cost 2008 \$
<b>Not readily traded</b>				
Unlisted investments:				
Shares in unquoted entities	500,000	500,000	500,000	500,000
	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>

In respect of financial assets and financial liabilities, with reference to the carrying amount of such assets and liabilities in the company's balance sheet, these carrying values are determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both interest and principal cashflows.

	Weighted average effective interest rates	Less than 1 month	1-3 months	3 months to 1 year	1-5 years
<b>2009</b>					
Non-interest bearing	-	6,535,743	2,418,604	1,680,233	-
Variable interest instruments	4.73%	-	-	189,080	4,296,322
		<b>6,535,743</b>	<b>2,418,604</b>	<b>1,869,313</b>	<b>4,296,322</b>
<b>2008</b>					
Non-interest bearing	-	5,634,043	1,412,009	1,911,909	-
Variable interest instruments	4.63%	-	-	185,200	4,475,304
		<b>5,634,043</b>	<b>1,412,009</b>	<b>2,097,109</b>	<b>4,475,304</b>

(j) Other price risks

The company is exposed to equity price risk arising from equity investments. Equity investments are held for strategic rather than trading purposes. The company's total exposure to equity investments is not material. Accordingly, no sensitivity analysis has been undertaken.

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**Notes to the Financial Statements**

**21. Accumulated surplus**

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Accumulated surplus/(deficit) at the beginning of the financial year	1,190,123	(11,769,034)	1,190,123	(11,769,034)
Surplus for the financial year	3,434,143	12,959,157	4,298,720	12,959,157
Accumulated surplus at the end of the financial year	4,624,266	1,190,123	5,488,843	1,190,123

**22. Investment revaluation reserve**

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Balance at the beginning of the financial year	-	250,000	-	250,000
Valuation gain realised		(250,000)		(250,000)
Balance at the end of the financial year	-	-	-	-

**23. Commitments for expenditure**

Operating lease commitments are disclosed in note 15 to the financial statements.

Other commitments	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
Not longer than 1 year	2,930,871	2,930,871	2,930,871	2,930,871
Longer than 1 year and not longer than 5 years	6,346,160	8,884,620	6,346,160	8,884,620
	<b>9,277,031</b>	<b>11,815,491</b>	<b>9,277,031</b>	<b>11,815,491</b>

**24. Acquisition of Adelaide United**

In May 2009 FFA assumed responsibility for Adelaide United, forming a new company, Adelaide United Football Club (AUFC), which purchased the assets of Adelaide United Soccer Club (AUSC) for \$1. Under the sale of assets agreement, AUFC and AUSC reached agreement to release payment obligations to each other. AUSC agreed to fund existing creditors up to \$1m and AUFC assumed responsibilities for new liabilities from point of sale. Total liabilities of \$275,000 were assumed by FFA as a result of acquisition. The goodwill arising from this acquisition was written off immediately in the 2 month period ending 30 June 2009 in the financial statements of the company. The surplus for the consolidated entity for the year ended 30 June 2009, if the acquisition had occurred at the start of the financial year, would have increased by \$97,929.

**25. Additional company information**

Football Federation Australia Limited is a company, limited by guarantee, incorporated and operating in Australia.

**Registered office and principal place of business**

Level 22  
1 Oxford Street  
Darlinghurst  
NSW 2010