

**Football Federation Australia
Limited**

ABN 28 106 478 068

General purpose (RDR) financial
report for the year ended 30 June
2016

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Directors' report

For the year ended 30 June 2016

Your directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of Football Federation Australia Limited (referred to hereafter as the "Company") and the entities it controlled at the end of, or during, the year ended 30 June 2016.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated:

Mr S Lowy AM	(Appointed: 17 November 2015)
Mr F Lowy AC	(Retired: 17 November 2015)
Mr B Schwartz AM	(Retired: 17 November 2015)
Ms C Bart AO	
Ms K Bayer Rosmarin	(Appointed: 17 November 2015)
Ms M Dodd	
Mr J Healy	
Mr S Hepworth	
Mr D Moulis	(Appointed: 17 November 2015)
Mr C Murray	(Appointed: 17 November 2015)
Mr C Nikou	
Mr P Tredinnick	(Resigned: 20 August 2015)
Mr P Wolanski AM	(Retired: 17 November 2015)

Names, qualifications, experience and special responsibilities

Mr S Lowy AM (Chairman)

Mr Lowy was appointed to the board on 17 November 2015 and is also Chair of the Nominations Committee and the Broadcast Committee. He is an executive Director of Westfield Corporation and currently serves as its Co-Chief Executive Officer. Mr Lowy is also a non-executive Director of Scentre Group. Since it was established in April 2003, Mr Lowy has been a director of the Lowy Institute for International Policy, an independent international policy think tank based in Sydney. He holds a Bachelor of Commerce (Honours) from the University of NSW. His previous appointments include President of the Board of Trustees of the Art Gallery of New South Wales, Chairman of the Victor Chang Cardiac Research Institute and Presiding Officer of the NSW Police Force Associate Degree in Policing Practice Board of Management.

Mr F Lowy AC (Former Chairman)

Mr Lowy was appointed to the board on 26 September 2003. Mr Lowy is Chairman of Westfield Corporation. He served as the Westfield Group's Executive Chairman for over 50 years before assuming a non-executive role in May 2011. Mr Lowy also served as the non-executive Chairman of Scentre Group until retiring in May 2016. He is the founder and the Chairman of the Lowy Institute for International Policy and served as Chairman of Local Organising Committee AFC Asian Cup Australia 2015 Ltd.

Mr Lowy retired as a Director at the Company's Annual General Meeting on 17 November 2015 and was bestowed the title Honorary President by the Members for meritorious service to football. His fellow directors acknowledge his significant contribution as chairman of the Company since 2003.

Directors' report (continued)

For the year ended 30 June 2016

Directors (continued)

Names, qualifications, experience and special responsibilities (continued)

Mr B Schwartz AM (Former Deputy Chairman)

Mr Schwartz was appointed to the board on 26 September 2003 and was Chairman of the Finance and Audit Committee and the Nominations Committee. Mr Schwartz is Chairman of Scentre Group Limited and Deputy Chair of Westfield Corporation Limited. Mr Schwartz was also the former Chairman of Insurance Australia Group Limited. In 2005 he was appointed as CEO of Investec Bank (Australia) Limited. He retired from that role in 2009. Prior to this he was a Partner of Ernst & Young Australia, becoming its Chief Executive in 1998. He also served as Deputy Chairman of Local Organising Committee AFC Asian Cup Australia 2015 Ltd.

Mr Schwartz retired as a Director at the Company's Annual General Meeting on 17 November 2015 and was bestowed the title Honorary Vice President by the Members for meritorious service to football. His fellow directors acknowledge his significant contribution as deputy chairman of the Company since 2003.

Ms C Bart AO (Director)

Ms Bart was appointed to the board on 29 November 2013 and is a member of the Finance, Risk and Audit Committee and the Women's Committee. Ms Bart is a non-executive Director on the Board of Audio Pixel Holdings Ltd, SG Fleet Group Limited, Australian Himalayan Foundation, ME Bank Ltd, TEDxSydney and Trustee of Prince's Charities Australia. Ms Bart was also a director of Local Organising Committee AFC Asian Cup Australia 2015 Ltd until resigning on 19 June 2015 following the conduct of the tournament in January 2015. Ms Bart holds a Bachelor of Commerce and a Bachelor of Law (B Com LLB) and is a Fellow of the Australian Institute of Company Directors. She is also a member of Chief Executive Women and YPO-WPO.

Ms K Bayer Rosmarin (Director)

Ms Bayer Rosmarin was appointed to the board on 17 November 2015 and is a member of both the Broadcast and Human Resources Committees. Ms Bayer Rosmarin is group executive for Institutional Banking and Markets at the Commonwealth Bank. She serves as Deputy Chair of the Australian Financial Markets Association (AFMA) and is a member of Chief Executive Women and the Stanford Australia Association (of which she was president for five years). She also serves on the University of New South Wales Engineering Faculty Advisory Board, the Australian Government's FinTech Advisory Group and NSW Government Digital Advisory Panel.

Ms Bayer Rosmarin has a Bachelor of Science in Industrial Engineering and a Master of Science in Management Science from Stanford University and received an Academic Excellence Award for being the top Masters graduate. She was also a 2011 Vincent Fairfax Fellow.

Ms M Dodd (Director)

Ms Dodd was appointed to the board on 3 June 2007. She chairs the Women's Committee, and is a member of the Football Development Committee. Internationally, she serves on the Asian Football Confederation (AFC) Executive Committee, AFC Legal Committee, and chairs the AFC Women's Football Committee. She is Deputy Chair of FIFA's Committee for Women's Football and the FIFA Women's World Cup (TM) and Chair of its Women's Football Taskforce, having served on the FIFA Executive Committee from 2013-2016. As a player, she represented the Matildas (1986-95) and served as Vice Captain. She is a partner of Gilbert + Tobin Lawyers in the firm's Competition and Regulation group, and is a member of the International Council of Arbitration for Sport.

Directors' report (continued)

For the year ended 30 June 2016

Directors (continued)

Names, qualifications, experience and special responsibilities (continued)

Mr J Healy (Director)

Mr Healy was appointed to the board on 29 July 2010 and is Chair of the Football Development Committee and Human Resource Committee and a member of the Finance, Risk and Audit Committee. He was formally a member of the Nominations Committee. A founder of Judo Capital, Mr Healy is a career international banker having held Executive positions at NAB, ANZ, CIBC World Markets, Citibank and Lloyds Bank. He holds MSc (Finance), MBA, MSc International Management (China), MA in Contemporary Chinese Studies and MBA (Banking) degrees and is a member of the Chartered Institute of Bankers in Scotland. Mr Healy authored a textbook 'Corporate Governance & Shareholder Wealth Creation' (2003) and is an Adjunct Professor at University of Queensland Business School. He holds five international caps at youth level for Scotland.

Mr S Hepworth (Director)

Mr Hepworth was appointed to the board on 16 October 2014 and is Chair of the Finance, Risk and Audit Committee and a member of the Referees Committee. He has been the CFO of Caltex Australia Limited since 1999. He joined Ampol in 1996 after 10 years with Arthur Andersen. Mr Hepworth holds a Bachelor of Arts and a Masters of Applied Finance. He is a member of the Institute of Chartered Accountants in England and Wales. He is also a member of the Australian Institute of Company Directors.

Mr D Moulis (Director)

Mr Moulis was appointed to the board on 17 November 2015 and is on the Football Development Committee and Nominations Committee. Mr Moulis is the founder and principal of Moulis Legal. He worked within the Federal Attorney-General's Department in his early career before joining Freehills (now Herbert Smith Freehills) where he practiced for 21 years, 11 of those as a Partner of the firm. Mr Moulis has served as company secretary of The Sixth Australian Masters Games, director of the Johnny Warren Football Foundation, member of the Disciplinary Committee of Football Federation Australia and Chair of the Trade and Customs Law Committee of the International Bar Association. He is an experienced panellist in the World Trade Organisation's dispute settlement system. Mr Moulis is a former Socceroo.

Mr C Murray (Director)

Mr Murray was appointed to the Board on 17 November 2015 and is on the Broadcast Committee and Human Resources Committee. Mr Murray is the Head of Equities at BT Investment Management having joined the business in 1994. Mr Murray holds an Honours degree in Economics and Human Geography from Reading University in the United Kingdom.

Mr C Nikou (Director)

Mr Nikou was appointed to the board on 16 October 2014 and is Chair of the Referees Committee and a member of the Women's Committee. He is a Senior Partner of international law firm K&L Gates, where he is head of the Corporate and Commercial Group across Australia and Asia. He is also a current director of the Melbourne Renegades. He was a director of the Local Organising Committee AFC Asian Cup Australia 2015 Ltd until resigning on 19 June 2015 following the conduct of the tournament in January 2015.

Directors' report (continued)

For the year ended 30 June 2016

Directors (continued)

Names, qualifications, experience and special responsibilities (continued)

Mr P Tredinnick (Director)

Mr Tredinnick was appointed to the board on 28 September 2012 and was also on the Football Development Committee and Nominations Committee. Mr Tredinnick is a Partner of the national law firm Moray & Agnew, practising in insurance and commercial litigation and advice. From 1978 - 1989 he played just under 300 games in the National Soccer League. He also played for Northern New South Wales, New South Wales, the inaugural Young Socceroos and was capped three times for the Socceroos. Mr Tredinnick resigned as director effective 20 August 2015. His fellow directors acknowledge his significant contribution to the board.

Mr P Wolanski AM (Director)

Mr Wolanski was appointed to the board on 26 September 2003 and is Chair of the Football Development Committee. Mr Wolanski is Managing Director of Denwol Group Pty Ltd, a property development and investment company. He is a member of the Governing Committee of the Temora Aviation Museum Limited, and was appointed a Trustee of the Sydney Opera House Trust in January 2014.

Mr Wolanski retired as a Director at the Company's Annual General Meeting on 17 November 2015 and was bestowed the title Honorary Member by the Members for meritorious service to football. His fellow directors acknowledge his significant contribution as a director of the Company since 2003.

Company Secretary

Ms Joanne Setright (Company Secretary)

Ms Setright joined Football Federation Australia on 2 July 2007. Ms Setright previously held senior management positions at ANZ Stadium including Deputy Chief Executive Officer, Chief Operating Officer and General Counsel, and prior to this was lawyer at Gilbert + Tobin, the Federal Airports Corporation and Blake Dawson Waldron solicitors. Ms Setright has been on the Asian Football Confederation Disciplinary Committee since 2007 and the FIFA Disciplinary Committee since 2013.

Dividends

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

Principal activities

The principal activities of the Group in the course of the financial year were the promotion, development and control of the game of association football in Australia.

Operating and financial review

The net deficit after tax of the Group for year ended 30 June 2016 was \$387,000 (2015 net surplus: \$259,000).

Directors' report (continued)

For the year ended 30 June 2016

Operating and financial review (continued)

The Company has completed another successful year which is illustrated by the following key achievements and milestones:

- Following the release of the 20 year Whole of Football Plan in May 2015, the FFA Strategy for 2016-2019 was released in April 2016. The Strategic Plan has four key pillars and targets as follows:
 - Connect more fans with the A-League and W-League
 - Improve the experience of all participants
 - Build generations of successful national teams
 - Lead towards a unity of purposeFFA implemented several key initiatives aligned to the plan across the reporting period. These included planning for a refresh of the A-League brand, investment in digital platforms to improve the participant experience and connect fans to our leagues, a centralised approach and investment in marquee player recruitment in the A-League, and collaboration with key stakeholders to better align their programs to the game's overall national objectives.
- Growth in sponsorship revenue was achieved including through securing Caltex Australia Limited as naming rights partner of the Socceroos, as well as Tag Heuer, Continental Tyres and SABA as new sponsors. Importantly, Hyundai renewed its long term sponsorship of the A-League as did both NAB and Harvey Norman.
- FFA owned and operated the Newcastle Jets Hyundai A-league Club during the year prior to the acquisition of the Club by the Ledman Group. Ledman is a high-tech LED manufacturer, operator and integrated sports business headquartered in Shenzhen, China. Their investment in the A-League is another significant step in Australian football's engagement with Asia. The FY2016 operating result reflects both the proceeds from sale and the costs of operating the Club throughout the year.
- In its eleventh season, the domestic showpiece of the game, the Hyundai A-League enjoyed a highly competitive season culminating in another sold-out Grand Final. Adelaide United secured the double, finishing premiers at the end of the regular season and defeating the Western Sydney Wanderers in front of over 50,000 fans at Adelaide Oval. The match was broadcast into over 80 countries.
- The Socceroos team performed strongly in the period, building upon their 2015 Asian Cup triumph. On the important path to qualification for the 2018 FIFA World Cup in Russia, they won seven of their eight matches in round 2 of the Asian World Cup qualification process and enjoyed strong showings in friendly matches against England and Greece prior to commencing the third round of World Cup qualification in a group including traditional rivals Japan. Matches in the qualification process were held across Australia with the support of state governments driving international and interstate tourism.
- In women's football, the unparalleled opportunities presented by the game both domestically and internationally were on show. The Matildas followed up their stellar World Cup efforts by qualifying in impressive fashion for the 2016 Olympics. Unbeaten in a tough qualifying tournament, their world ranking surged to 5th. The team did the nation proud in the Olympics, demonstrating great spirit and style, only to bow out in heartbreaking fashion in a penalty shoot-out in the quarter-finals to the home team, Brazil.
- In its eighth season, the Westfield W-League expanded to nine teams with the introduction of Melbourne City. The club set new standards for the competition, going through the season unbeaten, scoring 38 goals for only 4 against and winning the Grand Final against Sydney FC 4-1. Double-header matches with the Hyundai A-League showcased the skill and excitement of the women's game to a broader audience and will be a feature of the 2016/17 season.
- Football's community base continued to grow, with the national registered participant database MyFootballClub now including 665,000 participants.
- Significant progress was made in the national player pathway with all Hyundai A-League clubs fielding their national youth league teams in their respective NPL competitions.
- Connecting the elite and community levels of the game in a way only football can, the FFA Cup enjoyed another highly successful season. Victorian NPL team Hume City made the semi-finals, going down to A-League powerhouse Melbourne Victory who went on to win the final against Perth Glory 2-0 at AAMI Stadium.

Directors' report (continued)

For the year ended 30 June 2016

Significant changes in the state of affairs

The Company entered into a sale agreement to dispose of Newcastle Jets FC for a gross consideration of \$5.5m. The disposal was completed on 30 June 2016, on which date control of the business passed to the acquirers. The net consideration upon the sale of Newcastle Jets Club Pty Limited after disposal was \$5.3m.

There have been no other significant changes in the state of affairs of the Group during the year.

Significant events after the reporting period

There have been no significant events occurring after the reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

Likely developments and expected results

Further information about likely developments in the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation and performance

The Group is not subject to any particular or significant environmental regulation under laws of the Commonwealth or of a State or Territory.

Indemnification and insurance of directors and officers

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.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

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.

Directors' report (continued)

For the year ended 30 June 2016

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

Number of meetings	Board of directors		Finance, Risk and Audit Committee		Football Development Committee		Broadcast Committee		HR Committee		WC Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr S Lowy AM	7	7	-	-	-	-	1	1	-	-	-	-
Mr F Lowy AC	4	3	-	-	-	-	-	-	-	-	-	-
Mr B Schwartz AM	4	4	3	3	-	-	-	-	-	-	-	-
Ms C Bart AO	11	11	3	3	-	-	-	-	-	-	3	3
Ms K Bayer Rosmarin	7	6	-	-	-	-	1	1	1	1	-	-
Ms M Dodd	11	11	-	-	5	5	-	-	-	-	3	3
Mr J Healy	11	11	6	5	2	2	-	-	1	1	-	-
Mr S Hepworth	11	9	6	6	-	-	-	-	-	-	-	-
Mr D Moulis	7	6	-	-	2	2	-	-	-	-	-	-
Mr C Murray	7	6	-	-	-	-	1	1	1	1	-	-
Mr C Nikou	11	11	-	-	-	-	-	-	-	-	3	3
Mr P Tredinnick	1	1	-	-	-	-	1	1	-	-	-	-
Mr P Wolanski AM	4	4	-	-	3	3	-	-	-	-	-	-

Directors' report (continued)

For the year ended 30 June 2016

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) and where noted (\$000) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the class order applies.

Auditor's independence and non-audit services

The directors have received an independence declaration from the auditor of Football Federation Australia Limited. This has been included on page 9.

Signed in accordance with a resolution of the directors.

Mr S Lowy AM
Chairman
21 October 2016



Auditor's Independence Declaration to the Directors of Football Federation Australia Limited

As lead auditor for the audit of Football Federation Australia Limited for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Football Federation Australia Limited and the entities it controlled during the financial year.



Ernst & Young



Doug Bain
Partner
21 October 2016

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2016

	2016	2015
	\$000	\$000
Continuing operations		
Operating revenue		
- Football Federation Australia Limited	103,354	103,137
- Local Organising Committee AFC Asian Cup Australia 2016 Limited	-	58,375
Finance income	165	1,486
Revenue	103,519	162,998
Employee and team benefit expenses	(23,474)	(35,057)
Grants and distributions expenses	(32,122)	(30,349)
Travel expenses	(12,430)	(12,664)
Marketing and media expenses	(10,534)	(26,925)
Event hosting expenses	(5,984)	(27,753)
Administration expenses	(2,612)	(2,856)
Broadcasting expenses	(5,179)	(8,618)
Other team expenses	(2,578)	(2,344)
Professional and consultants fees	(2,124)	(3,033)
Sponsorship & licensing expenses	(3,497)	(3,156)
Communication technology expenses	(1,645)	(6,516)
Insurance expenses	(2,819)	(2,465)
Other expenses	(1,310)	(846)
Finance costs	(2)	(30)
(Deficit)/surplus before income tax from continuing operations	(2,791)	386
Income tax benefit/(expense)	-	-
(Deficit)/surplus for the year from continuing operations	(2,791)	386
Discontinued operations		
Surplus/(deficit) after tax for the year from discontinued operations	2,404	(127)
Net (deficit)/surplus for the year	(387)	259
Other comprehensive income	-	-
Total comprehensive (loss)/income for the year	(387)	259

The operating result for the year and the prior year comparatives include the results from the Local Organising Committee AFC Asian Cup Australia 2015 Limited. The operating costs associated with the event have been offset by the recognition of grant revenues to give a nil breakeven result in FY 2015.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2016

	Notes	2016 \$000	2015 \$000
Assets			
Current assets			
Cash	6	9,150	40,720
Trade and other receivables	7	22,099	12,793
Inventories		-	833
Prepayments		3,319	2,643
		<u>34,568</u>	<u>56,989</u>
Assets classified as held for sale		-	269
Total current assets		<u>34,568</u>	<u>57,258</u>
Non-current assets			
Property, plant and equipment	8	425	487
Intangible assets	9	861	1,105
Total non-current assets		<u>1,286</u>	<u>1,592</u>
Total assets		<u>35,854</u>	<u>58,850</u>
Liabilities			
Current liabilities			
Trade and other payables	10	13,605	33,302
Employee benefit liability	11	1,011	1,396
Unearned revenue	12	13,583	15,779
		<u>28,199</u>	<u>50,477</u>
Liabilities directly associated with the assets held for sale		-	396
Total current liabilities		<u>28,199</u>	<u>50,873</u>
Non-current liabilities			
Employee benefit liability	11	335	270
Total non-current liabilities		<u>335</u>	<u>270</u>
Total liabilities		<u>28,534</u>	<u>51,143</u>
Net assets		<u>7,320</u>	<u>7,707</u>
Members' equity			
Retained earnings		<u>7,320</u>	<u>7,707</u>
Total members' equity		<u>7,320</u>	<u>7,707</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2016

	Retained earnings \$000	Total attributable to members of the entity \$000
As at 1 July 2015	7,707	7,707
Loss for the year	(387)	(387)
Other comprehensive income	-	-
Total comprehensive loss	<u>(387)</u>	<u>(387)</u>
At 30 June 2016	<u>7,320</u>	<u>7,320</u>
As at 1 July 2014	7,448	7,448
Surplus for the year	259	259
Other comprehensive income	-	-
Total comprehensive income	<u>259</u>	<u>259</u>
At 30 June 2015	<u>7,707</u>	<u>7,707</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2016

	Notes	2016 \$000	2015 \$000
Operating activities			
Receipts from customers, government and sponsors		102,138	159,469
Payments to suppliers and employees		(134,917)	(170,070)
Interest received		-	1,486
Interest paid		(165)	-
Net cash flows used in operating activities		(32,944)	(9,115)
Investing activities			
Purchase of property, plant and equipment	8	(50)	(94)
Purchase of intangible assets	9	(226)	(825)
Proceeds from the sale of controlled entity		1,650	-
Net cash flows from/(used in) Investing activities		1,374	(919)
Net decrease in cash and cash equivalents		(31,570)	(10,034)
Cash and cash equivalents at 1 July	6	40,720	50,754
Cash and cash equivalents at 30 June	6	9,150	40,720

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2016

1. Corporate information

The financial report of Football Federation Australia Limited (the "Company") and its consolidated entities (the "Group") for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 21 October 2016.

Football Federation Australia Limited (the "Parent") is a company limited by guarantee incorporated and domiciled in Australia. Every member of the Company undertakes in accordance with the Constitution of the Company, to contribute such amount (not exceeding \$20) as may be required in the event of winding up of the Company during the time that they are a member or within one year afterwards. At 30 June 2016 the number of members was 10, being the nine State and Territory Federations and a representative of the Hyundai A-League Clubs (2015: 10).

The registered office of the Company and the principal place of business is: Level 22, 1 Oxford Street, Darlinghurst, NSW 2010.

The nature of the operations and principal activities of the Group are described in the directors' report.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000).

2.2 Statement of compliance

The financial statements of the Company comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

2.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year.

The new and amended Australian Accounting Standards and AASB Interpretations that apply for the first time in 2015/2016 do not impact the financial statements of the Company.

2.4 Basis of consolidation

For the year ended 30 June 2016, the consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company, including:

- Local Organising Committee AFC Asian Cup Australia 2015 Limited (LOC),
- ACN 146 403 803 Pty Limited (Gold Coast United),
- Canberra United FC Pty Limited, and
- North Queensland Fury Football Club Pty Limited.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

2. Summary of significant accounting policies (continued)

2.4 Basis of consolidation (continued)

The Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

a) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

2. Summary of significant accounting policies (continued)

a) Business combinations (continued)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 *Financial Instruments: Recognition and Measurement*, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss and other comprehensive income.

b) Cash

Cash in the consolidated statement of financial position comprises cash at bank and in hand.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

c) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable.

d) Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

e) Investments and other financial assets

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

f) Property, plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Furniture, fittings and office equipment	20% - 33%
- Leasehold property	2%
- Motor vehicles	20%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

2. Summary of significant accounting policies (continued)

g) Discontinued operations

The Group classifies non-current assets and disposal groups as held for sale or for distribution to equity holders of the parent if their carrying amounts will be recovered principally through sale or a distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for sale or for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribution, excluding the finance costs and income tax expense.

The criteria for held for sale or for distribution classification is regarded as met only when the sale or distribution is highly probable and the assets or disposal group is available for immediate sale or distribution in its present condition. Actions required to complete the sale or distribution should indicate that it is unlikely that significant changes to the sale or distribution will be made or that the decision to sell distribute will be withdrawn. Management must be committed to the sale or distribution expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale or distribution.

Assets and liabilities classified as held for sale or distribution are presented separately as current items in the statement of the financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement or profit or loss and other comprehensive income.

h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

i) 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 reporting 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

2. Summary of significant accounting policies (continued)

i) Impairment of assets (continued)

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 Group 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 Group 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.

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 the 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.

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.

Online systems capital 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) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

2. Summary of significant accounting policies (continued)

l) Employee benefit liability

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, to estimated future cash flows, if material.

Long service leave and annual leave

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of whether the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognised.

The specific recognition criteria described below must also be met before revenue is recognised.

Grants

Revenue from grants is recognised in the Income Statement when it is controlled. When there are conditions attached to the grant revenue relating to the use of those grants for specific purposes, it is recognised in the Balance Sheet as unearned revenue until such conditions are met or services provided.

Sponsorship

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.

Registration, license, affiliation and other fees

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

National registration fees

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

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

2. Summary of significant accounting policies (continued)

m) Revenue recognition (continued)

Broadcasting and other rights

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

Gate receipts

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

Hosting of events

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

Merchandising and other income

Merchandising and other income are recognised on an accruals basis.

Finance income

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

n) Taxes

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. The Company has one active tax exempted subsidiary, Local Organising Committee AFC Asian Cup Australia 2015 Limited. The Company's active taxable subsidiaries, North Queensland Fury Football Club Pty Limited, Canberra United FC Pty Limited, The "A" League Pty Limited and ACN 146 403 803 Pty Limited, are subject to income tax, however, no tax liabilities have arisen during the year.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the consolidated statement of cash flows on a gross basis and 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 part of operating cash flows.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

Management have made assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

4. Expenses

	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Expenses included under consolidated statement of comprehensive income		
Depreciation	113	138
Amortisation	470	335

5. Discontinued operations

The Company entered into a sale agreement to dispose of Newcastle Jets FC for a gross consideration of \$5.5m. The disposal was completed on 30 June 2016, on which date control of the business passed to the acquirers. The net surplus upon the sale of Newcastle Jets Club Pty Limited after disposal was \$2.4m.

The net cash flows incurred by A-League Club Operations Pty Limited are as follows:

	<u>2016</u>	<u>2015</u>
	\$000	\$000
Operating	(107)	(97)
Investing	(17)	(42)
Financing	-	283
Net cash (outflow)/inflow	<u>(124)</u>	<u>144</u>

6. Cash

	<u>2016</u>	<u>2015</u>
	\$000	\$000
Cash at bank and on hand	<u>9,150</u>	<u>40,720</u>

\$403,920 (2015: \$403,920) of the cash and cash equivalents balance is not available for use by the entity, this relates to cash held for lease guarantee on the registered office of the Company. The prior year comparative includes \$23.4m of cash held for distribution by the Local Organising Committee AFC Asian Cup Australia Limited.

7. Trade and other receivables

	<u>2016</u>	<u>2015</u>
	\$000	\$000
Trade receivables	15,631	8,836
Accrued revenue	6,468	3,957
	<u>22,099</u>	<u>12,793</u>

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

8. Property, plant and equipment

	Leasehold property \$000	Furniture, fittings and office equipment \$000	Motor vehicles \$000	Leasehold improvements \$000	Other equipment \$000	Total \$000
Cost						
At 1 July 2015	350	2,780	58	808	54	4,050
Additions	-	50	-	-	-	50
At 30 June 2016	350	2,830	58	808	54	4,100
Depreciation						
At 1 July 2015	(82)	(2,626)	(44)	(805)	(5)	(3,562)
Depreciation charge for the year	(8)	(94)	(5)	(1)	(5)	(113)
At 30 June 2016	(90)	(2,720)	(49)	(806)	(10)	(3,675)
Net book value						
At 30 June 2016	260	110	9	2	44	425
Net book value						
At 30 June 2015	268	153	14	3	49	487

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

9. Intangible assets

	Online systems capital cost	Trademarks	Total
	\$000	\$000	\$000
Cost			
At 1 July 2015	3,463	315	3,778
Additions	226	-	226
At 30 June 2016	<u>3,689</u>	<u>315</u>	<u>4,004</u>
Amortisation			
At 1 July 2015	(2,572)	(101)	(2,673)
Amortisation	(441)	(29)	(470)
At 30 June 2016	<u>(3,013)</u>	<u>(130)</u>	<u>(3,143)</u>
Net book value			
At 30 June 2016	<u>676</u>	<u>185</u>	<u>861</u>
Net book value			
At 30 June 2015	<u>891</u>	<u>214</u>	<u>1,105</u>

10. Trade and other payables

	2016	2015
	\$000	\$000
Current		
Trade payables	5,848	5,809
Other creditors and accruals	6,812	24,884
Other payables	-	1,117
Goods and services tax	945	1,492
	<u>13,605</u>	<u>33,302</u>

11. Employee benefit liability

	2016	2015
	\$000	\$000
Current		
Annual leave	<u>1,011</u>	<u>1,396</u>
Non-current		
Long service leave	<u>335</u>	<u>270</u>

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

12. Unearned revenue

	<u>2016</u>	<u>2015</u>
	<u>\$000</u>	<u>\$000</u>
Broadcasting and sponsorship revenue	11,779	13,604
Grant revenue	716	1,063
Other revenue	1,088	1,112
	<u>13,583</u>	<u>15,779</u>

13. Interest bearing loans

The Company did not have any banking overdraft facility as at 30 June 2016 (2015: \$0.5m).

The Company did not have any Receivables Finance Facility as at 30 June 2016 (2015: \$5m).

14. Related party and key management personnel disclosures

14.1 Compensation of key management personnel

	<u>2016</u>	<u>2015</u>
	<u>\$'000</u>	<u>\$'000</u>
Total compensation	<u>5,074</u>	<u>8,285</u>

Total compensation for the comparative year includes payments to key management personnel for the subsidiary entity, Local Organising Committee AFC Asian Cup Australia 2015 Limited of \$3.8m relating to the successful staging of the event in January 2015.

14.2 Other transactions and balances with key management personnel and their related parties

Transaction with Scentre Group

During the year the Company received sponsorship revenue of \$2,500,000 (2015: \$1,500,000) from Scentre Group, of which F Lowy AC and B Schwartz AM held the roles of Chairman and Deputy Chairman respectively up until their retirement as Directors. S Lowy AM serves as Non-executive Director on the Scentre Group board.

Transaction with Sydney Football Club (FC) Pty Limited

F Lowy AC, through a family related entity, has a minority shareholding in Sydney Football Club (FC) Pty Limited, a Hyundai A-League football club.

P Wolanski AM, through a family related entity, has a minority shareholding in Sydney Football Club (FC) Pty Limited, a Hyundai A-League football club.

S Lowy AM, through a family related entity, has a minority shareholding in Sydney Football Club (FC) Pty Limited, a Hyundai A-League football club.

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

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

14. Related party and key management personnel disclosures (continued)

14.2 Other transactions and balances with key management personnel and their related parties (continued)

Transaction with Moya Dodd

During the year, the Company received consultancy services from director Moya Dodd. The charge for these services was \$113,636 (2015: \$113,636), which has been accrued in the accounts at 30 June 2016.

Transactions with Caltex Australia Limited

During the year the Company received sponsorship revenue of \$1,920,907 (2015: \$nil) from Caltex of which Simon Hepworth is the Chief Financial Officer.

15. Commitments and contingencies

15.1 Leasing commitments

Operating lease commitments - Group as lessee

All operating lease contracts of the Group contain market review clauses in the event that the Group exercises options to renew. The Group does not have an option to purchase the leased assets at the expiry of the lease period.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	<u>2016</u>	<u>2015</u>
	\$000	\$000
Within one year	930	1,037
After one year but not more than five years	<u>1,063</u>	<u>2,072</u>
	<u>1,993</u>	<u>3,109</u>

15.2 Other commitments for expenditure

	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Within one year	2,000	4,000
After one year but not more than five years	-	<u>2,000</u>
Total liabilities	<u>2,000</u>	<u>6,000</u>

The expenditure commitment relates to the purchase of international broadcast rights.

15.3 Contingent liabilities

The Group did not have any contingent liabilities as at 30 June 2016 (2015: nil).

16. Events after the reporting period

There have been no significant events occurring after the reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2016

17. Parent entity information

	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Information relating to Football Federation Australia Limited:		
Current assets	34,567	35,805
Total assets	35,852	38,317
Current liabilities	28,198	30,342
Total liabilities	28,533	30,610
Members' accumulated surplus	7,320	7,707

The parent has not entered into any guarantees in relation to the debts of its subsidiaries.

The contingent liabilities and contractual commitments of the parent company are as per note 15.

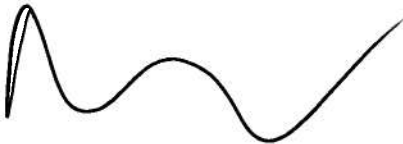
Directors' declaration

In accordance with a resolution of the directors of Football Federation Australia Limited, I state that:

In the opinion of the directors:

- (a) the consolidated financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Mr S Lowy AM
Chairman
21 October 2016



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Independent auditor's report to the members of Football Federation Australia Limited

Report on the financial report

We have audited the accompanying financial report of Football Federation Australia Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. 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.

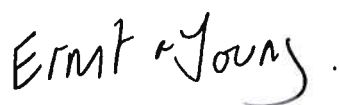
Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the financial report.

Opinion

In our opinion the financial report of Football Federation Australia Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the financial position of the consolidated entity at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.



Ernst & Young



Douglas Bain
Partner
Sydney
21 October 2016