Football Federation Australia Limited
ABN 28 106 478 068

General purpose financial report for the year ended 30 June 2018

Contents

Directors' report

For the year ended 30 June 2018

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 2018. The directors have determined that the financial statements of the Group are to be presented in accordance with a general purpose framework, where in prior year the financial statements were prepared in accordance with a general purpose - reduced disclosure requirements framework.

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	
Ms C Bart AO	(retired 30 November 2018 in accordance with the FFA Constitution)
Ms K Bayer Rosmarin	
Ms M Dodd	(retired 30 November 2018 in accordance with the FFA Constitution)
Mr J Healy	
Mr S Hepworth	
Mr D Moulis	
Mr C Murray	
Mr C Nikou	

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 FIFA Women's World Cup 2023 Bid Steering Committee and was chair of the Nominations Committee. He is a Principal of LFG, the private investment business and family office of the Lowy Family Group. He is a non-executive director of Scentre Group and the non-executive Chairman of OneMarket Limited and a director of the Lowy Institute. Mr Lowy has served as 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. He holds a Bachelor of Commerce (Honours) from the University of New South Wales.

Ms C Bart AO (Director)

Ms Bart was appointed to the board on 29 November 2013 and retired at the Annual general Meeting of the Company on 30 November 2018 in accordance with the FFA Constitution. Prior to retiring Ms Bart was a member of the Digital Committee, the Finance, Risk and Audit Committee and the Women's Committee. Ms Bart is a non-executive Director on the Board of Audio Pixels Holdings Ltd, Invictus Games Sydney 2018, SG Fleet Group Limited, ME Bank Ltd, Powering Australian Renewables Fund, TEDxSydney and Trustee of Prince's Trust Australia. Ms Bart was also a director of the Local Organising Committee AFC Asian Cup Australia 2015 Ltd. Ms Bart holds a Bachelor of Commerce and a Bachelor of Law (B Comm LLB) and is a Fellow of the Australian Institute of Company Directors. She is also a member of Chief Executive Women and YPO-WPO.

Directors' report (continued)

For the year ended 30 June 2018

Directors (continued)

Names, qualifications, experience and special responsibilities (continued)

Ms K Bayer Rosmarin (Director)

Ms Bayer Rosmarin was appointed to the board on 17 November 2015. She is a member of the Women's Committee and Finance, Risk and Audit Committee. She was chair of the Digital Committee and a member of the Human Resources Committee. Ms Bayer Rosmarin is an experienced banking executive who was a former member of the Executive team at the Commonwealth Bank. Ms Bayer Rosmarin 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 and is a member of Chief Executive Women.

Ms M Dodd (Director)

Ms Dodd was appointed to the board on 3 June 2007 and retired at the Annual general Meeting of the Company on 30 November 2018 in accordance with the FFA Constitution. Prior to retiring, Ms Dodd chaired the Women's Committee and was a member of the Football Development Committee and the ad hoc Congress Committee. She is a co-opted member of the FIFA Women's World Cup 2023 Bid Steering Committee. At the Asian Football Confederation (AFC) she serves on the AFC Executive Committee, AFC Legal Committee, AFC Asian Cup 2019 Organizing Committee and chairs the AFC Women's Football Committee. She is a member of FIFA's Player Status Committee, having served on the FIFA Executive Committee from 2013-2016, and is a member of the Athlete's Entourage Commission of the IOC. 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, a member of the International Council of Arbitration for Sport, and Honorary President of Women in Sports Law. She chairs the management committee of Common Goal, an initiative of streetfootballworld for football development projects that support the UN sustainable development goals.

Mr J Healy (Director)

Mr Healy was appointed to the board on 29 July 2010 and is Chair of the Football Development Committee and the Nominations Committee. He was chair of the Human Resources Committee and the New Operating Models and Expansion Committee and was a member of the Finance, Risk and Audit 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 is a director of Gweedore Investments Ltd, Judo Capital Holdings Ltd and Judo Capital Ltd. 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 has authored two books 'Corporate Governance & Shareholder Wealth Creation' (2003) and 'Chinese Firms Going Global' (2018) 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, a member of the Referees Committee and the FIFA Women's World Cup 2023 Bid Steering Committee and was a member of the New Operating Models and Expansion 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

Directors' report (continued)

For the year ended 30 June 2018

Directors (continued)

Names, qualifications, experience and special responsibilities (continued)

Mr D Moulis (Director)

Mr Moulis was appointed to the board on 17 November 2015 and is on the Football Development Committee and the Women's Committee and was on the Nominations Committee and the ad hoc Congress 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 panelist 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 Finance, Risk and Audit Committee and the Football Development Committee and was on the Human Resources Committee and the New Operating Models and Expansion Committee. Mr Murray is the Head of Equities at the Pendal Group (formerly 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 the Women's Committee, was Chair of the ad hoc Congress Committee and was a member of the New Operating Models and Expansion 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.

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 a 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 2018 was $126,000 (2017: $335,000).

Directors' report (continued)

For the year ended 30 June 2018

Operating and financial review (continued)

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

- The Hyundai A-League enjoyed another exciting season culminating in a sold-out Grand Final between the Newcastle Jets and Melbourne Victory at McDonald Jones Stadium in Newcastle. Sydney FC claimed the Premiership with 2 rounds to spare. Melbourne Victory were the first team in the history of the competition to win the Hyundai A-League Championship after finishing the regular season in 4th place.
- The tenth season of the Westfield W-League saw Melbourne City FC claim their third successive championship title with Brisbane Roar FC winning the Premiership.
- Sydney FC won the fourth edition of the Westfield FFA Cup after they defeated Adelaide United at Allianz Stadium.
- FFA launched the inaugural season of the "E-League" as the first mainstream sport in Australia to enter the eSports market. Sydney FC were crowned the inaugural E-League Premiers with Sameer Elbadar from Sydney FC the first E-League champion.
- The Caltex Socceroos qualified for the 2018 FIFA World Cup having to host play-off matches against Syria and Honduras. Head Coach Ange Postecoglou resigned his position in November 2017 and was replaced by Bert van Marwijk who was in charge for the 2018 FIFA World Cup campaign in Russia. In March it was announced that Graham Arnold would become the Head Coach of the Caltex Socceroos following the completion of the 2018 FIFA World Cup.
- The Westfield Matildas were runners-up at the AFC Women's Asian Cup which was held in Jordan and as a result also qualified for the 2019 FIFA Women's World Cup which will be held in France next June.
- At a grassroots level, Football continues to be the most popular team participation sport in Australia with an estimated 1.16 million participants.

Significant changes in the state of affairs

The Directors have approved the renewal of a $3m overdraft facility for a 12-month term subject to final credit approval.

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

Significant events after the reporting period

An extraordinary general meeting of the members of Football Federation Australia was held on 2 October 2018. The purpose of the meeting was to consider two resolutions - the first to principally expand FFA's membership and the second to determine a pathway to an alternative leagues governance model. Both resolutions were passed.

There have been no other 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.

Directors' report (continued)

For the year ended 30 June 2018

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 2018

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:

	FFA Board of Directors		Finance, Risk and Audit Committee		Football Development Committee		Women's Committee		Digital Transformation Committee		Nominations Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Number of meetings												
Mr S Lowy AM	12	12*	-	-	-	-	-	-	-	-	1	1*
Ms C Bart AO	7	7	6	6	-	-	2	2	4	4	-	-
Ms K Bayer Rosmarin	12	11	1	1	-	-	1	1	4	4*	-	-
Ms M Dodd	7	7	-	-	2	1	2	2*	-	-	-	-
Mr J Healy	12	12	6	5	3	3*	-	-	-	-	1	1
Mr S Hepworth	12	10	7	7*	-	-	-	-	-	-	-	-
Mr D Moulis	12	10	-	-	3	3	1	1	-	-	1	1
Mr C Murray	12	11	1	1	1	1	-	-	-	-	-	-
Mr C Nikou	12	12	-	-	-	-	3	3**	-	-	-	-

Directors' report (continued)

For the year ended 30 June 2018

Directors' meetings (continued)

	Congress Committee		New Operating Model and Expansion Model Committee		Referees Committee		Human Resources Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Number of meetings								
Mr S Lowy AM	-	-	-	-	-	-	-	-
Ms C Bart AO	-	-	-	-	-	-	-	-
Ms K Bayer Rosmarin	-	-	-	-	-	-	1	1
Ms M Dodd	1	1	-	-	-	-	-	-
Mr J Healy	-	-	2	2*	-	-	1	1*
Mr S Hepworth	-	-	2	2	2	2	-	-
Mr D Moulis	1	1	-	-	-	-	-	-
Mr C Murray	-	-	2	2	-	-	1	1
Mr C Nikou	1	1*	2	2	2	2*	-	-

The Broadcast committee did not meet in FY2018. Ms C Bart AO and Ms M Dodd terms as Directors ceased in November 2017.

*Denotes Chairperson

**Mr Nikou replaced Ms Dodd as Chairperson in 2018.

Directors' report (continued)

For the year ended 30 June 2018

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 2016/191. The Company is an entity to which the class order applies.

Non-audit services

The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	$
- Grant acquittals and other assurance services	8,000
- Compilation of financial statement fees	5,900
	13,900

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
16 October 2018

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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 2018, 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

Ernst & Young

Douglas Bain
Partner
16 October 2018

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2018

	Notes	2018 $000	2017 $000
Operating revenue		132,416	105,537
Finance income		132	81
Revenue		**132,548**	**105,618**
Employee and team benefit expenses	5	(32,675)	(26,608)
Grants and distributions expenses		(43,928)	(32,405)
Travel expenses		(16,165)	(10,807)
Marketing and media expenses		(14,879)	(12,426)
Event hosting expenses		(3,397)	(3,186)
Administration expenses		(2,655)	(2,367)
Broadcasting expenses		(411)	(3,386)
Other team expenses		(3,821)	(2,546)
Professional and consultants fees		(3,234)	(3,317)
Sponsorship & licensing expenses		(4,236)	(4,139)
Communication & technology expenses		(3,790)	(1,802)
Insurance expenses		(2,996)	(2,408)
Other expenses		(487)	(556)
Deficit before income tax for the year		**(126)**	**(335)**
Income tax benefit/(expense)		-	-
Deficit for the year		**(126)**	**(335)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(126)**	**(335)**

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 2018

	Notes	2018 $000	2017 $000
Assets			
Current assets			
Cash	6	6,477	9,808
Trade and other receivables	7	39,900	31,116
Inventories		-	19
Prepayments		684	2,043
Total current assets		47,061	42,986
Non-current assets			
Property, plant and equipment	8	680	495
Intangible assets	9	2,849	1,354
Total non-current assets		3,529	1,849
Total assets		**50,590**	**44,835**
Liabilities			
Current liabilities			
Trade and other payables	10	22,026	18,267
Employee benefit liabilities	11	1,192	1,220
Unearned revenue	12	19,557	17,961
Financial liabilities	13	411	-
Total current liabilities		43,186	37,448
Non-current liabilities			
Provisions	14	158	-
Employee benefit liabilities	11	387	402
Total non-current liabilities		545	402
Total liabilities		**43,731**	**37,850**
Net assets		6,859	6,985
Members' equity			
Retained earnings		6,859	6,985
Total members' equity		**6,859**	**6,985**

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 2018

	Retained earnings $000	Total attributable to members of the entity $000
At 1 July 2017	6,985	6,985
Deficit for the year	(126)	(126)
Other comprehensive income	-	-
Total comprehensive loss	(126)	(126)
At 30 June 2018	**6,859**	**6,859**
At 1 July 2016	7,320	7,320
Deficit for the year	(335)	(335)
Other comprehensive income	-	-
Total comprehensive loss	(335)	(335)
At 30 June 2017	**6,985**	**6,985**

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 2018

	Notes	2018 $000	2017 $000
Operating activities			
Receipts from customers, government and sponsors		136,874	111,451
Payments to suppliers and employees		(138,328)	(113,365)
Interest received		132	81
Net cash flows used in operating activities	6	**(1,322)**	**(1,833)**
Investing activities			
Purchase of property, plant and equipment	8	(304)	(174)
Purchase of intangible assets	9	(2,116)	(971)
Proceeds from the sale of controlled entity		-	3,636
Proceed from financial instruments		411	-
Net cash flows (used in)/from investing activities		**(2,009)**	**2,491**
Net (decrease)/increase in cash and cash equivalents		(3,331)	658
Cash and cash equivalents at 1 July	6	9,808	9,150
Cash and cash equivalents at 30 June	6	**6,477**	**9,808**

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 2018

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 2018 was authorised for issue in accordance with a resolution of the directors on 16 October 2018.

Football Federation Australia Limited (the "Parent") is a company limited by guarantee incorporated and domiciled in Australia. The Company is a not-for-profit entity. 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 2018 the number of members was 10, being the nine State and Territory Federations and one Hyundai A-League Club member (2017: 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 and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for derivative financial instruments which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

Compliance with International Financial Reporting Standards

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2.2 Changes in accounting policies, disclosure, standards and interpretations

New and amended standards and interpretations

The new and amended Australian Accounting Standards and AASB Interpretations that apply for the first time in 2017/2018 do not impact the financial statements of the Group.

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2018. When applied in future periods, these recently issued or amended standards are not expected to have a material impact on the Group's financial position or performance or the presentation and disclosures in the financial report. The Group assessment of the impact of these new standards and interpretations to the extent relevant to the Group is set out below:

AASB 9 *Financial instruments (effective from 1 January 2018)*

The amending standard specifies new recognition and measurement requirements for financial assets within the scope of AASB 139 *Financial instruments: Recognition and Measurement* requiring financial assets to be measured at fair value through profit and loss unless the criteria for amortised cost measurement are met or the entity qualifies and elects to recognise gains and losses on equity securities that are not held for trading directly in other comprehensive income (OCI).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies, disclosure, standards and interpretations (continued)

AASB 9 *Financial instruments (effective from 1 January 2018)* (continued)

The entity assessment of this change in standard is ongoing, however the change is not expected to materially impact the Group.

AASB 15 *Revenue from Contracts with Customers (effective from 1 January 2018)*

AASB 15 will replace AASB 18 *Revenue* which covers contracts and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good services transfers for a customer - so the notion of control replaces the existing notion of risks and rewards. The entity assessment of this change in standard is ongoing, however the change is not expected to materially impact the Group.

AASB 16 *Leases (effective from 1 January 2019)*

AASB 16 will replace AASB 117 *Leases* and some lease-related Interpretations. AASB 16 requires all the leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases. The entity has not yet assessed the full impact of AASB 16.

2.3 Basis of consolidation

For the year ended 30 June 2018, the consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company, including:

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

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

2. Summary of significant accounting policies (continued)

2.3 Basis of consolidation (continued)

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) Fair value measurement

The Group measures its derivative financial instruments, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

2. Summary of significant accounting policies (continued)

e) 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.

f) 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.

g) 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 2018

2. Summary of significant accounting policies (continued)

g) 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.

h) 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.

Digital assets

Capitalised digital assets are recorded at cost. The assets will be amortised on a straight-line basis over the estimated useful life of 4 years at the point in time that the asset becomes available for use.

i) 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 2018

2. Summary of significant accounting policies (continued)

j) Provisions and employee benefit liabilities

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.

k) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

l) 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 consolidated statement of financial position as unearned revenue until such conditions are met or services provided.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

2. Summary of significant accounting policies (continued)

l) Revenue recognition (continued)

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.

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.

m) 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 2018

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 2018

4. Expenses

	2018 $'000	2017 $'000
Expenses included under consolidated statement of profit or loss and other comprehensive income		
Depreciation	119	339
Amortisation	621	245

5. Employee and team benefit expenses

	2018 $000	2017 $000
Wages and salaries	24,632	19,454
Post employment benefits	1,396	1,429
Other employee benefits	6,647	5,725
	32,675	**26,608**

6. Cash

	2018 $000	2017 $000
Cash at bank and on hand	6,477	9,808

Cash at banks earn interest at floating rates based on daily bank deposit rates.

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank and on hand.

	2018 $000	2017 $000
Cash flow reconciliation		
Reconciliation of deficit after tax to net cash flows from operations:		
Deficit for the year	(126)	(335)
Adjustments for:		
Depreciation of property, plant and equipment	119	104
Amortisation of intangible assets	621	478
Sale of controlled entity	-	(3,636)
Working capital adjustments:		
Increase in trade and other receivables	(8,784)	(9,017)
Decrease in prepayments	1,359	1,276
Decrease/(increase) in inventories	19	(19)
Increase in trade and other payables	3,731	4,871
Increase in unearned revenue	1,596	4,378
(Decrease)/increase in employee benefit liabilities	(15)	67
Increase/(decrease) in provisions	158	-
Net cash flows used in operating activities	**(1,322)**	**(1,833)**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

6. Cash (continued)

$403,920 (2017: $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.

7. Trade and other receivables

	2018	2017
	$000	$000
Trade receivables	22,469	23,066
Accrued revenue	17,431	8,050
	39,900	**31,116**

As at 30 June 2018, trade receivables with an initial carrying value of $50,000 (2017: $50,000) were impaired and fully provided for. See below for the movements in the provision for impairment of receivables:

	Collectively impaired
	$000
At 1 July 2016	**50**
Charge for the year	-
At 30 June 2017	**50**
Charge for the year	-
At 30 June 2018	**50**

As at 30 June, the ageing analysis of trade receivables is, as follows:

			Past due but not impaired				
	Total	Neither past due nor impaired	< 30 days	30-60 days	61-90 days	91-120 days	> 120 days
	$000	$000	$000	$000	$000	$000	$000
2018	22,469	20,008	1,954	360	-	6	141
2017	23,066	19,318	2,675	448	176	4	445

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

8. Property, plant and equipment

	Leasehold property	Furniture, fittings and office equipment	Motor vehicles	Leasehold improvements	Other equipment	Total
	$000	$000	$000	$000	$000	$000
Cost						
At 1 July 2016	350	2,830	58	808	54	4,100
Additions	-	68	-	-	106	174
At 30 June 2017	**350**	**2,898**	**58**	**808**	**160**	**4,274**
Additions	-	205	-	-	99	304
At 30 June 2018	**350**	**3,103**	**58**	**808**	**259**	**4,578**
Accumulated depreciation						
At 1 July 2016	90	2,720	49	806	10	3,675
Depreciation charge for the year	6	80	5	2	11	104
At 30 June 2017	**96**	**2,800**	**54**	**808**	**21**	**3,779**
Depreciation charge for the year	7	92	4	-	16	119
At 30 June 2018	**103**	**2,892**	**58**	**808**	**37**	**3,898**
Net book value						
At 30 June 2018	**247**	**211**	**-**	**-**	**222**	**680**
At 30 June 2017	254	98	4	-	139	495

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

9. Intangible assets

	Online systems capital cost	Trademarks	Digital Assets	Total
	$000	$000	$000	$000
Cost				
At 1 July 2016	3,689	315	-	4,004
Additions	131	3	837	971
At 30 June 2017	**3,820**	**318**	**837**	**4,975**
Additions	1,037	-	1,079	2,116
At 30 June 2018	**4,857**	**318**	**1,916**	**7,091**
Accumulated amortisation				
At 1 July 2016	3,013	130	-	3,143
Amortisation	451	27	-	478
At 30 June 2017	**3,464**	**157**	**-**	**3,621**
Amortisation	258	27	336	621
At 30 June 2018	**3,722**	**184**	**336**	**4,242**
Net book value				
At 30 June 2018	**1,135**	**134**	**1,580**	**2,849**
At 30 June 2017	356	161	837	1,354

10. Trade and other payables

	2018	2017
	$000	$000
Current		
Trade payables	5,990	7,192
Other creditors and accruals	14,753	9,972
Goods and services tax	1,283	1,103
	22,026	**18,267**

11. Employee benefit liabilities

	2018	2017
	$000	$000
Current		
Annual leave	**1,192**	**1,220**
Non-current		
Long service leave	**387**	**402**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

12. Unearned revenue

	2018 $000	2017 $000
Broadcasting	13,000	11,549
Grant revenue	2,222	2,194
Sponsorship and other revenue	4,335	4,218
	19,557	17,961

13. Financial liabilities

	2018 $000	2017 $000
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts	411	-

Fair value measurement

		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		$000	$000	$000	$000
Liabilities measured at fair value:					
Foreign exchange forward contracts	30 June 2018	411	-	411	-

14. Provisions

	2018 $000	2017 $000
Non-current		
Other provisions	158	-

15. Financial instrumental risk management

The Group is exposed to a variety of financial risks through its use of financial instruments.

This note discloses the Group's objectives, politics and process for managing and measuring these risks.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Group does not actively engage in the trading of financial assets for speculative purpose nor does it write options. The most significant financial risks to which the Group is exposed to are described below:

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

15. Financial instrumental risk management (continued)

Specific risks

- Credit risks
- Liquidity risk
- Market risk

Financial instruments used

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

Risk management is carried out by the Group's finance function under policies and objectives which have been approved by the board of directors.

The board receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Credit risk analysis

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

Credit risk arises from cash and cash equivalents and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Group's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting year date.

The Group's management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality.

None of the Group's financial assets are secured by the collateral or other credit enhancements.

Liquidity risk analysis

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group maintains cash to meet its liquidity requirements for up to 90-days.

The Group manages its liquidity needs by carefully monitoring cash-outflow due in day-to-day and week-to week basis, as well as on the basis of a rolling 90-day projection. Long-term liquidity needs for a 180-day and a 36-day year are identified monthly.

At the reporting year date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

15. Financial instrumental risk management (continued)

Objectives, policies and processes (continued)

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Group's liabilities have contractual maturities which are summarised below:

30 June 2018	Current			Non-current	
	Not later than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
	$000	$000	$000	$000	$000
Trade payables	5,990	-	-	-	5,990
Total	5,990	-	-	-	5,990
30 June 2017					
Trade payables	7,192	-	-	-	7,192
Total	7,192	-	-	-	7,192

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the reporting year date.

Interest rate risk

The majority of the Group's financial assets are non-interest bearing. The main interest rate risk for the Group arises from its cash holdings. The exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of change in market interest rate and the effective weighted average interests rates on classes of financial assets and financial liabilities.

16. Related party and key management personnel disclosures

16.1 Compensation of key management personnel

	2018	2017
	$	$
Short-term employee benefits	4,081,923	4,709,545
Other long-term benefits	72,908	-
Termination benefits	200,951	-
Total compensation	**4,355,782**	**4,709,545**

16.2 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 $1,680,000 (2017: $2,500,000) from Scentre Group of which Mr S Lowy AM serves as Non-executive Director.

Transaction with Sydney Football Club (FC) Pty Limited
Mr Lowy, 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 2018

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

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

Transactions with Caltex Australia Limited

During the year the Company received sponsorship revenue of $2,341,814 (2017: $1,841,814) from Caltex of which director Mr S Hepworth is the Chief Financial Officer.

17. Investment in controlled entities

The consolidated financial statements of the Group include:

Name	Country of incorporation	% Equity interest 2018	% Equity interest 2017
ACN 146 403 803 Pty Limited (Gold Coast United)	Australia	100%	100%
Canberra United FC Pty Limited	Australia	100%	100%
North Queensland Fury Football Club Pty Limited	Australia	100%	100%
Local Organising Committee AFC Asian Cup Australia 2015 Limited (LOC)	Australia	100%	100%

18. Commitments and contingencies

18.1 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:

	2018 $000	2017 $000
Within one year	148	916
After one year but not more than five years	-	148
	148	**1,064**

18.2 Other commitments for expenditure

	2018 $'000	2017 $'000
Within one year	-	1,064
Total liabilities	-	**1,064**

Prior year expenditure commitment relates to the investment in digital assets.

18.3 Contingent liabilities

The Group did not have any contingent liabilities as at 30 June 2018 (2017: nil).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

19. Events after the reporting period

An extraordinary general meeting of the members of Football Federation Australia was held on 2 October 2018. The purpose of the meeting was to consider two resolutions - the first to principally expand FFA's membership and the second to determine a pathway to an alternative leagues governance model. Both resolutions were passed.

There have been no other 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.

20. Parent entity information

	2018 $'000	2017 $'000
Information relating to Football Federation Australia Limited:		
Current assets	46,863	42,986
Total assets	50,392	44,835
Current liabilities	43,146	37,448
Total liabilities	43,533	37,850
Members' accumulated surplus	**6,859**	**6,985**

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

The contractual commitments and contingent liabilities of the parent company are as per note 18.2 and 18.3.

21. Auditors' remuneration

The auditor of Football Federation Australia Limited is Ernst & Young Australia.

	2018 $	2017 $
Amounts received or due and receivable by Ernst & Young Australia for:		
Audit of the financial statements	77,000	75,000
Other services		
- Compilation of financial statement fees	5,900	-
- Grant acquittals and other assurance services	8,000	8,000
	90,900	**83,000**

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 Football Federation Australia Limited for the financial year ended 30 June 2018 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 2018 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards and the *Corporations Regulations 2001*;

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.1; and

(c) 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
16 October 2018

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working world

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Independent Auditor's Report to the Members of Football Federation Australia Limited

Opinion

We have audited the financial report of Football Federation Australia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

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Douglas Bain
Partner
Sydney
16 October 2018