Football Federation Australia Limited
ABN 28 106 478 068

General purpose financial report for the year ended 30 June 2020

Contents

Directors' report

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" or "FFA") and its controlled entities for the year ended 30 June 2020. The directors have determined that the financial statements of the Group are to be presented in accordance with a general purpose 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 C Nikou (Chair)	
Ms K Bayer Rosmarin	(until resigning in October 2019 in accordance with the FFA Constitution)
Mr M Bresciano	(Appointed: 1 October 2019)
Mr J Carrozzi	
Mrs A Duggan	(Appointed: 1 October 2019)
Ms R Fitzroy	(Elected: 21 November 2019)
Mr C Murray	(until resigning in October 2019 in accordance with the FFA Constitution)
Mr R Nogarotto	
Ms H Reid	
Ms C Wilshire	(Elected: 21 November 2019)

Names, qualifications, experience and special responsibilities

Mr C Nikou (Chair)

Mr Nikou was appointed to the Board of Football Federation Australia (FFA) on 16 October 2014 and elected Chairman in November 2018. He is the chair of the Referees Committee and the FIFA Women's World Cup Bid Committee. Mr Nikou is a Senior Partner of international law firm K&L Gates. 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.

Ms K Bayer Rosmarin (Director) - resigned 5 October 2019

Ms Bayer Rosmarin was appointed to the Board of FFA on 17 November 2015. She was a member of FFA's Finance, Risk and Audit Committee. An experienced banking executive who was a former member of the Executive team at the Commonwealth Bank, Ms Bayer Rosmarin is currently the Chief Executive Officer at Optus. She serves the University of New South Wales Engineering Faculty Advisory Board, 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 Bayer Rosmarin resigned on 5 October 2019.

Mr M Bresciano (Director) - appointed 1 October 2019

Mr Bresciano was appointed to the Board of FFA on 1 October 2019. Born in Melbourne, Mr Bresciano played youth football for Bulleen Lions, before moving into the National Soccer League with Carlton. In 1999, he moved to Italian Serie B side Empoli, beginning a twelve-year stay in the country. In 2002, he moved to the Serie A with Parma, later playing for Palermo and S.S. Lazio. From 2011, he spent the final four years of his career in the Middle East, first with UAE Pro-League side Al Nasr and then Qatar Stars League club Al-Gharafa where he last played in 2015. Mr Bresciano made 84 appearances for Australia, scoring 13 goals. He played in three FIFA World Cups, two AFC Asian Cups (one victorious) and the 2004 OFC Nations Cup winning team. His goal against Uruguay in the 2006 World Cup qualification play-off sent the match to a penalty shootout which Australia won to qualify for the first time in 32 years. He previously represented Australia frequently at youth levels, including the 2000 Summer Olympics in Australia and the 1999 FIFA U-20 World Cup.

Directors' report (continued)

Directors (continued)

Names, qualifications, experience and special responsibilities (continued)

Mr J Carrozzi (Director)

Mr Carrozzi was elected to the Board of FFA in November 2018 and is the chair of the Finance, Risk and Audit Committee. He is a Managing Partner at PwC Australia and is a member of the firm's National Leadership Team. Mr Carrozzi is a member of several Boards including: chairman of Sydney Harbour Federation Trust, Chairman of the Centenary Institute for Medical Research, Deputy Chairman of the NSW Institute of Sport and Board member of Western Sydney University. Mr Carrozzi is a Fellow member of the Tax Institute of Australia (FTI) and Member of Chartered Accountants Australia and New Zealand. He holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales and is admitted as a Barrister at Law in NSW.

Mrs A Duggan (Director) - appointed 1 October 2019

Mrs Duggan was appointed to the Board of FFA on 1 October 2019. She is a member of the Football Development Committee. Mrs Duggan has 25 years' experience in various roles in football and is a former Matilda. A communications professional, Mrs Duggan is a Journalist and Presenter for Win Television and has worked in the media industry for 20 years. She is especially fond of the time she spent covering the Matilda's, Socceroos, the W-league and the 2019 Women's World Cup. Mrs Duggan holds a Commerce degree from the University of Wollongong and serves on several committees and sports' boards.

Ms R Fitzroy (Director) - elected 21 November 2019

Ms Fitzroy was elected to the Board of FFA on 21 November 2019. She is a member of FFA's Finance, Risk and Audit Committee and chair of the Constitution Review Committee. An experienced financial services executive, she is a former Executive Director of Macquarie Bank Group. She is currently principal of a governance consultancy which she founded. Ms Fitzroy is an independent non-executive director on the boards of Diversa Trustees Limited, Gateway Bank and the Self Managed Super Fund Association. She has a Bachelor of Arts from Macquarie University, a Master of Arts from the University of Technology, a Diploma of Information Technology Business Application, Harvard University and a Diploma in Marketing Management, Macquarie University. She is a Master Coach, International Coaching Federation. Ms Fitzroy is a Fellow of the Australian Institute of Company Director where she also writes and teaches on various governance courses.

Mr C Murray (Director) - resigned 6 October 2019

Mr Murray was appointed to the Board of FFA on 17 November 2015 and was a member of the Finance, Risk and Audit 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. Ms Murray resigned on 6 October 2019.

Mr R Nogarotto (Director)

Mr Nogarotto was elected to the Board of FFA in November 2018 and is a member of the FIFA Women's World Cup 2023 Bid Committee and is chair of the National Second Division working group. He is Managing Director of global advisory firm CT Corporate Advisory and is a Director of the Italian Chamber of Commerce in Australia. He is a former Chairman of Soccer Australia, Chairman of the National Soccer League, and Director of the NSW Soccer Federation. He was a member of the organising committee for the A League. Mr Nogarotto holds an Economics degree from the University of Sydney.

Ms H Reid (Director)

Ms Reid was elected to the Board of FFA in November 2018 and is a member of the Referees Committee and FIFA Women's World Cup 2023 Bid Committee. She has over 40 years' experience as a football player, coach, manager and administrator from community to international level. She was CEO of ACT Football Federation Ltd (Capital Football) for 12 years from 2004 and General Manager of Canberra United in the Westfield W-League for nine seasons. She has a Bachelor of Arts and Graduate Diploma in Sport Management and an Honorary Doctorate from the University of Canberra. In 2015 she was awarded a Member of the Order of Australia. She has served on several boards including Womensport Australia, the ACT Olympic Council and the Burns Club Ltd, and was on the Local Organising Committee AFC Asian Cup Australia 2015 Ltd.

Directors' report (continued)

Directors (continued)

Names, qualifications, experience and special responsibilities (continued)

Ms C Wilshire (Director) - elected 21 November 2019

Ms Wilshire OAM was elected to the Board of FFA on 21 November 2019. She is the CEO of the Migration Council Australia (MCA), Australia’s national research and policy institution on migration, settlement and social cohesion. She has a background in policy development and Government Relations. She has worked as a public servant and advisor to Government, principally in the area of migration and resettlement, including as Chief of Staff to the Minister for Multicultural Affairs. Ms Wilshire is Deputy Chair of the Migrant and Refugee Health Partnership, board member of The Australian Centre for Social Innovation and a member of the Judicial Council on Cultural Diversity and the Harmony Alliance Council. Ms Wilshire was previously on the Settlement Services Advisory Council and the National Anti-Racism Partnership and co-founded the Friendly Nation Initiative, which aims to link corporate Australia with the settlement community to improve employment outcomes for refugees.

Company Secretary

Mr T Holden (Company Secretary)

Mr Holden joined FFA in March 2009. He acts as the Head of Legal, Business Affairs and Integrity and was appointed as company secretary in February 2019. Prior to joining FFA, Mr Holden worked at Allens as a lawyer in the firm’s Litigation and Intellectual Property department. He holds a Bachelor of Arts from the University of British Columbia and a Bachelor of Laws from the University of Sydney. Mr Holden has been a member of the Asian Football Confederation Disciplinary Committee since June 2019.

Member guarantee

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 2020, the Company has 28 members including Member Federations, A-League Clubs, Women's Football Council and the Players Member (the PFA) (2019: 29).

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 (2019: $nil).

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.

There were no significant changes in the nature of these activities during the year.

Operating and financial review

The net deficit after tax of the Group for year ended 30 June 2020 was $1,814,000 (2019: net surplus of $435,000).

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

- Successfully bid for the FIFA Women's World Cup in 2023 in conjunction with New Zealand Football;
- Qualified for the Tokyo Olympic Games both in the Men's (Under-23's) and Women's categories;
- Successfully organised and hosted the Hyundai A-League and Westfield W-League despite the various challenges caused by COVID-19;
- Unveiled strategic blueprint for the future of the game in the form of the "XI Principles for the Future of Australian Football" document.

Directors' report (continued)

Significant changes in the state of affairs

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Specifically, for FFA, the pandemic caused the suspension of all National Team activities, grassroots competitions and the A-League season. The outbreak and the response of Governments in dealing with the pandemic has seen a corresponding increase in market volatility and corresponding fluctuations in Group's earnings and cash flow. The consequences of this were that a number of event-related revenues were unable to be realised, savings due to operational inactivity, stand downs of staff and a new broadcast deal from FY21 onwards being negotiated. There was also a new CBA negotiated with the Professional Footballers Associated (PFA) in regards to the A-League and National Teams in response to the revenue impacts that the COVID-19 pandemic.

It is not possible to estimate the impact of the outbreak's near-term and longer-term effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

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

Significant events after the reporting period

There were 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 Group 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 Group.

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 auditor

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young (Australia) 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 (Australia) during or since the financial year.

Proceedings on behalf of the Group

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

Directors' report (continued)

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		Referees Committee		2023 FIFA Women's World Cup Bid Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr C Nikou	20	20	-	-	-	-	1	1	1	1
Ms H Reid	12	11	-	-	-	-	-	-	-	-
Mr J Carrozzi	20	20	6	6	-	-	-	-	-	-
Mr R Nogarotto	20	18	-	-	2	2	-	-	1	1
Ms K Bayer Rosmarin	5	4	3	1	-	-	-	-	-	-
Mr C Murray	5	5	3	3	-	-	-	-	-	-
Mr M Bresciano	17	16	-	-	2	2	-	-	-	-
Ms C Wilshire	12	12	3	3	-	-	-	-	-	-
Ms A Duggan	17	15	-	-	2	2	-	-	-	-
Ms R Fitzroy	12	12	3	3	-	-	-	-	-	-

Directors' report (continued)

Rounding

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which this legislative instrument applies.

Non-audit services

The following non-audit services were provided by the Company's auditor, Ernst & Young (Australia). 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 (Australia) received or are due to receive the following amounts for the provision of non-audit services:

	$
- Compilation of financial statement fees	6,100
- FBT procedures	8,500
	14,600

Auditor's independence

The directors have received an independence declaration from the auditor of Football Federation Australia Limited. This has been included on page 7.

Signed in accordance with a resolution of the directors.

Mr C Nikou
Chairman
Sydney
2 November 2020

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

As lead auditor for the audit of the financial report of Football Federation Australia Limited for the financial year ended 30 June 2020, 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
2 November 2020

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2020

	Notes	2020 $000	2019 $000
Revenue from contracts with customers	4.1	107,115	132,011
Other income		1,282	-
Finance income		120	158
Employee and team benefit expenses	6	(25,164)	(28,582)
Grants and distributions expenses		(37,338)	(43,616)
Travel expenses		(10,624)	(13,166)
Marketing and media expenses		(13,764)	(18,928)
Event hosting expenses		(1,659)	(4,277)
Administration expenses		(3,015)	(3,567)
Broadcasting expenses		(577)	(1,192)
Other team expenses		(2,626)	(3,483)
Professional and consultants fees		(2,673)	(4,331)
Sponsorship and licensing expenses		(3,722)	(3,706)
Communication and technology expenses		(4,143)	(3,510)
Insurance expenses		(3,516)	(3,181)
Other expenses		(1,359)	(195)
Finance costs		(151)	-
(Deficit)/surplus before income tax for the year		**(1,814)**	**435**
Income tax expense		-	-
(Deficit)/surplus for the year		**(1,814)**	**435**
Other comprehensive income		**-**	**-**
Total comprehensive (loss)/income for the year		**(1,814)**	**435**

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 2020

	Notes	2020 $000	2019 $000
Assets			
Current assets			
Cash	7	25,996	29,225
Trade and other receivables	8	7,962	24,147
Contract assets	4.2	6,216	7,148
Loan receivables	9	307	-
Prepayments		95	685
Total current assets		40,576	61,205
Non-current assets			
Loan receivables	9	149	-
Property, plant and equipment	10	1,799	583
Intangible assets	11	1,795	2,497
Total non-current assets		3,743	3,080
Total assets		**44,319**	**64,285**
Liabilities			
Current liabilities			
Trade and other payables	12	10,287	15,409
Employee benefit liabilities	13	1,490	1,488
Contract liabilities	14	11,091	23,077
Provisions	15	264	-
Lease liabilities	16	1,030	-
Total current liabilities		24,162	39,974
Non-current liabilities			
Employee benefit liabilities	13	153	534
Provisions	15	53	158
Contract liabilities	14	15,248	17,183
Lease liabilities	16	172	-
Total non-current liabilities		15,626	17,875
Total liabilities		**39,788**	**57,849**
Net assets		**4,531**	**6,436**
Members' equity			
Retained earnings		4,531	6,436
Total members' equity		**4,531**	**6,436**

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 2020

	Retained earnings $000	Total attributable to members of the entity $000
At 1 July 2019	6,436	6,436
Effect of adoption of new accounting standards (Note 2.2)	(91)	(91)
At 1 July 2019 (restated)	**6,345**	**6,345**
Deficit for the year	(1,814)	(1,814)
Other comprehensive income	-	-
Total comprehensive loss for the year	(1,814)	(1,814)
At 30 June 2020	**4,531**	**4,531**
At 1 July 2018	**6,001**	**6,001**
Surplus for the year	435	435
Other comprehensive income	-	-
Total comprehensive income for the year	435	435
At 30 June 2019	**6,436**	**6,436**

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 2020

	Notes	2020 $000	2019 $000
Operating activities			
Receipts from customers		121,416	173,662
Payments to suppliers and employees		(123,581)	(150,067)
Interest received		120	158
Interest paid		(151)	-
Other grants		789	-
Net cash flows (used in)/from operating activities	7	**(1,407)**	**23,753**
Investing activities			
Purchase of property, plant and equipment	10	(79)	(66)
Purchase of intangible assets	11	(289)	(528)
Proceeds from financial instruments		-	(411)
Net cash flows used in investing activities		**(368)**	**(1,005)**
Financing activities			
Payment for principal portion of lease liabilities		(998)	-
Advances to third parties		(456)	-
Net cash flows used in financing activities		**(1,454)**	**-**
Net (decrease)/increase in cash and cash equivalents		(3,229)	22,748
Cash and cash equivalents at 1 July		29,225	6,477
Cash and cash equivalents at 30 June	7	**25,996**	**29,225**

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 2020

1. Corporate information

The financial report of Football Federation Australia Limited (the "Company" or the "Parent") and its consolidated entities (the "Group") for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 2 November 2020.

Football Federation Australia Limited is a company limited by guarantee incorporated and domiciled in Australia. The Company is a not-for-profit entity.

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

Further information on the nature of the operations and principal activities of the Group is described in the directors' report. Information on the Group's structure is provided in Note 19.

2. Significant accounting policies

2.1 Basis of preparation

The financial report is a general purpose financial report, which has been prepared on a going concern basis 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.

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which this legislative instrument applies.

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 Group applied AASB 1058 *Income of Not-For-Profit Entities* and AASB 16 *Leases* for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the consolidated financial statements of the Group.

AASB 1058 *Income of Not-For-Profit Entities*

AASB 1058 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than fair value of the asset principally to enable the entity to further its objective (discounted goods and services).

The Group has adopted AASB 1058 using the modified retrospective method of adoption. The Group did not have income that met the requirements of this standard. Therefore, the classification and measurement requirements of AASB 1058 did not have a material impact in the Group.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2. Significant accounting policies (continued)

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

New and amended standards and interpretations (continued)

AASB 16 *Leases*

AASB 16 supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the consolidated statement of financial position.

The Group adopted AASB 16 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect on initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 July 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying AASB 117 and AASB Interpretation 4 at the date of initial application.

The Group has lease contracts for office premises. Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.4(e) Leases for the accounting policy prior to 1 July 2019.

Upon adoption of AASB 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.4(e) Leases for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2. Significant accounting policies (continued)

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

New and amended standards and interpretations (continued)

AASB 16 *Leases* (continued)

Leases previously accounted for as operating leases (continued)

Based on the above, as at 1 July 2019:

- Right-of-use assets of $2,109,398 were recognised and presented within property, plant and equipment in the consolidated statement of financial position.
- Lease liabilities of $2,200,462 were recognised and presented separately in the consolidated statement of financial position.
- The net effect of these adjustments had been adjusted to retained earnings ($91,064).

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	$000
Operating lease commitments as at 30 June 2019	4,654
Decrease in lease commitments due to early termination option*	(2,272)
	2,382
Weighted average incremental borrowing rate as at 1 July 2019	5.12%
Discounted operating lease commitments as at 1 July 2019	**2,200**
Lease liabilities as at 1 July 2019	**2,200**

* During the year, management exercised the early termination option on the head office lease. As a result, the lease expiry date has changed from 31 August 2023 to 31 August 2021, and the operating lease commitment has been reduced accordingly.

Accounting Standards and Interpretations issued but not yet effective

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.3 Basis of consolidation

For the year ended 30 June 2020, 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 Ltd
- 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2. Significant accounting policies (continued)

2.3 Basis of consolidation (continued)

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.

2.4 Summary of significant accounting policies

a) Fair value measurement

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

b) Cash

Cash in the consolidated statement of financial position comprises cash at bank and on 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 and other receivables represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). They are generally due for settlement within 30-90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate (EIR) method.

For trade receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

d) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. 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 profit or loss 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%
-	Other equipment	10%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) 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.

Property, plant and equipment are also subject to impairment. Refer to the accounting policies in Note 2.4(f) Impairment of non-financial assets.

e) Leases

For the year ended 30 June 2020

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

e) Leases (continued)

For the year ended 30 June 2020 (continued)

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premises	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.4(f) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

For the year ended 30 June 2019

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 asset is (or those assets are) 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

e) Leases (continued)

For the year ended 30 June 2019 (continued)

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense, as incurred, in the consolidated statement of profit or loss and other comprehensive income.

f) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

g) Intangible assets

Trademarks

Trademarks are recorded at cost less accumulated amortisation and accumulated 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 accumulated impairment. Amortisation is charged on a straight-line basis over the estimated useful life of over 3 to 4 years.

Digital assets

Capitalised digital assets are recorded at cost less accumulated amortisation and accumulated impairment. 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

h) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. 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.

i) 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 high quality corporate 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 high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Make good provisions

The provision includes future cost estimates associated with returning the premises to its original condition. The calculation of this provision requires assumptions such as expected lease expiry dates, and cost estimates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised for each leased premises is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the consolidated statement of financial position by adjusting both the expense or asset (if applicable) and provision.

j) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

j) Revenue from contracts with customers (continued)

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

Grants

Grant revenues are recognised once the grant funds have been utilised for expenditure on grant-related activities or any specific performance obligations noted in the contract.

Sponsorship

Sponsorship revenues are recognised in line with the performance obligations specified in the sponsorship contract. This is generally based on the payment schedule which outlines the consideration to be provided each year in exchange for the sponsorship rights provided by the Group to the sponsor over the term of the contract over time. In some instances there is a sign-on bonus included within the consideration. In these circumstances where the sign-on bonus is not specified to be tied to a certain performance obligation, this fee is recognised as revenue over the life of the contract.

Registration, license, affiliation and other fees

These revenues relate mainly to the license fees for Hyundai A-League expansion clubs. As the performance obligation within these contracts is for a license for these clubs to be granted into the Hyundai A-League for a specified number of years as a part of the League's intellectual property, the revenue is recognised equally over the term of the contract.

Another element of this revenue line is Prize Money for performance in tournaments. Once participation in the tournament is completed this revenue is recognised based on placing in the tournament in accordance with tournament regulations.

National registration fees

The performance obligation for the National Registration Fees revenues is for the Group to provide a platform for registration for individuals to play football in Australia. As such, revenues are recognised upon registration.

Broadcasting and other rights

Broadcasting and other rights revenues are recognised in line with the performance obligation of the Group to grant exclusive rights to the respective broadcaster. This revenue is recognised based on satisfaction of the contractual performance obligations.

Gate receipts

Gate receipts revenue is recognised upon providing the performance obligation of holding the event of which the tickets have been purchased. Thus, revenue is recognised at a point in time.

Hosting of events

Hosting revenues hold the performance obligation of the Group at a location by which a government organisation has purchased the rights to the event. Thus, the performance obligation is recognised at the point in time when the event is held.

Merchandising

Merchandising revenue is recognised at the point in time when the performance obligation is met at the transfer of the merchandise to the customer.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

j) Revenue from contracts with customers (continued)

Contract balances (continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

k) Government grants

JobKeeper payment

In 2020, the government introduced the JobKeeper Payment scheme to support businesses significantly affected by the Coronavirus pandemic to help keep more Australians in jobs. The JobKeeper Payment is available to assist employers by subsidising salaries by $1,500 (before tax) per fortnight. Eligible employers are reimbursed a fixed amount of $1,500 per fortnight for each eligible employee from 30 March 2020, for up to 13 fortnights.

Employers are required to pay eligible employees a minimum of $1,500 (before tax) per fortnight to claim the JobKeeper payment. This is paid to the employer in arrears each month by the Australian Taxation Office (ATO). If employers do not continue to pay their employees for each pay period, they cease to qualify for the JobKeeper payment.

The Group has recognised a receivable and income when it has obtained control over the funding.

l) Finance income

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

m) Finance costs

Finance costs comprise interest expense on borrowings and lease liabilities. Interest expense is recognised in profit or loss using the EIR method.

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 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

n) Taxes (continued)

Goods and services tax (GST) (continued)

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.

o) Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

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 are discussed below. 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.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provision for expected credit losses of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sectors associated with their sponsorships/customers, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

4. Revenue from contracts with customers

4.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2020	2019
	$000	$000
Type of service		
Grants	7,931	10,553
Sponsorship	21,451	28,557
Registration, license, affiliation and other fees	2,068	2,423
National registration fees	8,246	11,362
Broadcasting and other rights	56,927	62,521
Gate receipts	1,287	6,192
Hosting of events	1,594	2,628
Merchandising and other income	7,611	7,775
Total revenue from contracts with customers	**107,115**	**132,011**
Timing of revenue recognition		
Goods transferred at a point in time	18,738	27,957
Services transferred over time	88,377	104,054
Total revenue from contracts with customers	**107,115**	**132,011**

4.2 Contract balances

	2020	2019
	$000	$000
Trade and other receivables (Note 8)	7,962	24,147
Contract assets (Note 8)	6,216	7,148
Contract liabilities (Note 14)	26,339	40,260

4.3 Performance obligations

Information about the Group's performance obligations are summarised below:

Rendering of services

The performance obligation is satisfied over-time and payment is generally due upon completion of the service and acceptance by the customer.

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

5. Expenses

	2020	2019
	$000	$000
Expenses included under administrative expenses:		
Depreciation of right-of-use assets	1,004	-
Depreciation of property, plant and equipment	127	163
Amortisation of intangible assets	991	880
Expected credit losses	100	-
Rent	43	1,176

6. Employee and team benefit expenses

	2020	2019
	$000	$000
Wages and salaries	17,826	21,280
Post employment benefits	1,415	1,601
Other employee benefits	5,923	5,701
	25,164	**28,582**

7. Cash

	2020	2019
	$000	$000
Cash at bank and on hand	**25,996**	**29,225**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

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

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

7. Cash (continued)

	2020 $000	2019 $000
Cash flow reconciliation		
Reconciliation of (deficit)/surplus after tax to net cash flows from operations:		
(Deficit)/surplus for the year	(1,814)	435
Adjustments to reconcile (deficit)/surplus after tax to net cash flows from operations:		
Depreciation of right-of-use assets	1,004	-
Depreciation of property, plant and equipment	127	163
Amortisation of intangible assets	991	880
Expected credit losses	100	-
Changes in assets and liabilities:		
Decrease in trade and other receivables	16,085	15,753
Decrease/(increase) in prepayments	590	(1)
Decrease/(increase) in contract assets	932	(7,148)
Decrease in trade and other payables	(5,122)	(6,617)
Decrease in unearned revenue	-	(19,557)
(Decrease)/increase in contract liabilities	(13,921)	39,402
(Decrease)/increase in employee benefit liabilities	(379)	443
Net cash flows (used in)/from operating activities	**(1,407)**	**23,753**

$611,509 of the cash and cash equivalents balance is not available for use by the entity, this relates to cash held for a lease guarantee on the registered office of the Company (2019: $611,509).

Changes in liabilities arising from financing activities

	1 July 2019 $000	Cash flows $000	30 June 2020 $000
Lease liabilities (Note 16)	2,200	(998)	1,202
Total liabilities from financing activities	**2,200**	**(998)**	**1,202**

8. Trade and other receivables

	2020 $000	2019 $000
Current		
Trade receivables	7,619	23,793
Expected credit losses	(150)	(50)
	7,469	23,743
Other receivables	493	404
	7,962	**24,147**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

8. Trade and other receivables (continued)

Contract assets

As at 30 June 2020, the Group has contract assets of $6,216,000 (2019: $7,148,000).

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

	Collectively impaired
	$000
At 1 July 2018	**50**
At 30 June 2019	**50**
Charge for the year	100
At 30 June 2020	**150**

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**	**31-60 days**	**61-90 days**	**91-120 days**	**121-150 days**	**> 151 days**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
2020	7,619	574	819	1,254	720	176	832	3,244
2019	23,793	20,895	1,096	660	418	28	63	633

9. Loan receivables

	2020	2019
	$000	**$000**
Current		
Loan receivables	**307**	**-**
Non-current		
Loan receivables	**149**	**-**

The above loans include $255,000 which is non-interest bearing, and $201,000 which bears interest at 4.5% per annum.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

10. Property, plant and equipment

	Leasehold property	Furniture, fittings and office equipment	Motor vehicles	Leasehold improvements	Other equipment	Right-of-use assets (Office premises)	Total
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Cost							
At 1 July 2018	350	3,103	58	808	259	-	4,578
Additions	-	66	-	-	-	-	66
At 30 June 2019	**350**	**3,169**	**58**	**808**	**259**	**-**	**4,644**
Adoption of AASB 16	-	-	-	-	-	2,109	2,109
Additions	158	76	-	-	4	-	238
At 30 June 2020	**508**	**3,245**	**58**	**808**	**263**	**2,109**	**6,991**
Accumulated depreciation							
At 1 July 2018	103	2,892	58	808	37	-	3,898
Depreciation charge for the year	7	123	-	-	33	-	163
At 30 June 2019	**110**	**3,015**	**58**	**808**	**70**	**-**	**4,061**
Depreciation charge for the year	5	100	-	-	22	1,004	1,131
At 30 June 2020	**115**	**3,115**	**58**	**808**	**92**	**1,004**	**5,192**
Net book value							
At 30 June 2020	**393**	**130**	**-**	**-**	**171**	**1,105**	**1,799**
At 30 June 2019	240	154	-	-	189	-	583

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

11. Intangible assets

	Online systems capital cost	Trademarks	Digital assets	Total
	$000	$000	$000	$000
Cost				
At 1 July 2018	4,857	318	1,916	7,091
Additions	189	-	339	528
At 30 June 2019	**5,046**	**318**	**2,255**	**7,619**
Additions	289	-	-	289
At 30 June 2020	**5,335**	**318**	**2,255**	**7,908**
Accumulated amortisation				
At 1 July 2018	3,722	184	336	4,242
Amortisation	313	27	540	880
At 30 June 2019	**4,035**	**211**	**876**	**5,122**
Amortisation	399	27	565	991
At 30 June 2020	**4,434**	**238**	**1,441**	**6,113**
Net book value				
At 30 June 2020	**901**	**80**	**814**	**1,795**
At 30 June 2019	1,011	107	1,379	2,497

12. Trade and other payables

	2020	2019
	$000	$000
Current		
Trade payables	4,169	6,604
Other creditors and accruals	6,093	7,453
Goods and services tax	25	1,352
	10,287	**15,409**

13. Employee benefit liabilities

	2020	2019
	$000	$000
Current		
Annual leave	1,226	1,488
Long service leave	264	-
	1,490	**1,488**
Non-current		
Long service leave	**153**	**534**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

14. Contract liabilities

	2020	2019
	$000	**$000**
Current		
Broadcasting and other rights	841	11,869
Grants	6,205	5,709
Sponsorship	2,104	3,553
License fees	1,941	1,946
	11,091	**23,077**
Non-current		
License fees	**15,248**	**17,183**

	2020	2019
	$000	**$000**
At 1 July	40,260	19,557
Deferred during the year	65,990	119,978
Release to the consolidated statement of profit or loss and other comprehensive income	(79,911)	(99,275)
At 30 June	**26,339**	**40,260**

15. Provisions

	2020	2019
	$000	**$000**
Current		
Other provisions	**264**	**-**
Non-current		
Other provisions	**53**	**158**

Other provisions are make good provision for the office lease that will terminate in August 2021.

16. Lease liabilities

Group as a lessee

The Group has lease contracts for office premises used in its operations. Leases of office premises generally have lease terms of 5 years. The Group’s obligations under its leases are secured by the lessor’s title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

16. Lease liabilities (continued)

Group as a lessee (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020 $000
As at 1 July 2019 (on adoption of AASB 16)	**2,200**
Accretion of interest	113
Payments	(1,111)
At 30 June 2020	**1,202**
Current	1,030
Non-current	172

The following are the amounts recognised in profit or loss:

	2020 $000
Depreciation expense of right-of-use assets	1,004
Interest expense on lease liabilities	113
Expense relating to leases of low-value assets	43
Total amount recognised in profit or loss	**1,160**

The Group had total cash outflows for leases of $1,154,000 in 2020.

17. 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, policies 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 purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below:

Specific risks
• Credit risk
• Liquidity risk
• Market risk - Interest rate risk

Financial instruments used
• Trade receivables and contract assets
• 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

17. Financial instrumental risk management (continued)

Objectives, policies and processes (continued)

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’s exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting 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 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 inflows and outflows on a month-to-month basis projected out to the completion of the financial year.

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

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:

		Current		Non-current	
30 June 2020	**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 and other payables	10,287	-	-	-	10,287
Lease liabilities	93	186	751	172	1,202
Total	**10,380**	**186**	**751**	**172**	**11,489**
30 June 2019					
Trade and other payables	15,409	-	-	-	15,409
Total	**15,409**	**-**	**-**	**-**	**15,409**

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

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

17. Financial instrumental risk management (continued)

Objectives, policies and processes (continued)

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.

18. Related party and key management personnel disclosures

18.1 Compensation of key management personnel

	2020	2019
	$	$
Short-term employee benefits	2,584,653	3,191,952
Other long-term benefits	373,480	148,853
Termination benefits	1,129,888	309,975
Total compensation	**4,088,021**	**3,650,780**

18.2 Other transactions and balances with key management personnel and other related parties

Transaction with PricewaterhouseCoopers (PwC)
During the period, a payment of $55,164.51 was made to PwC, a company at which FFA Director Joseph Carrozzi is a managing partner, for the purposes of providing secretariat services to the independent panel members of a review into national teams.

There were no other transactions and balances with key management personnel and other related parties during the year.

19. Investment in controlled entities

The consolidated financial statements of the Group include:

		% Equity interest	
Name	**Country of incorporation**	**2020**	**2019**
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%

All entities are dormant.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

20. Commitments and contingencies

20.1 Leasing commitments

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2019 are as follows:

	2019
	$000
Within one year	1,119
After one year but not more than five years	3,535
	4,654

The Group has no lease contracts that have not yet commenced as at 30 June 2020. Leasing commitments as at 30 June 2020 have been recognised on the consolidated statement of financial position as lease liabilities, following the adoption of AASB 16 *Leases*. Note 2.2 reconciles the operating lease commitments at 30 June 2019 to the lease liability recognised on adoption of the new Standard.

20.2 Contingent assets and contingent liabilities

The Group did not have any contingent assets and contingent liabilities as at 30 June 2020 (2019: nil).

21. Parent entity information

	2020	2019
	$000	$000
Current assets	40,576	61,205
Total assets	**44,319**	**64,285**
Current liabilities	24,162	39,974
Total liabilities	**39,788**	**57,849**
Members' accumulated surplus	**4,531**	**6,436**

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

The contractual commitments, contingent assets and contingent liabilities of the parent company are as per Note 20.

22. Auditor's remuneration

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

	2020	2019
	$	$
Amounts received or due and receivable by Ernst & Young (Australia) for:		
Audit of the financial statements	79,000	79,000
Other services		
- Other assurance services	5,900	27,188
- Non-assurance services	14,600	21,100
	99,500	**127,288**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

23. Events after the reporting period

There were 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.

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 2020 are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the year ended on that date; and

  (ii) complying with Australian 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 C Nikou
Chairman
Sydney
2 November 2020

Independent auditor's report

{The Auditor's report will be provided by your Auditor.}

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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 2020, 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 2020 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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.

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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.

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- 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

Ernst & Young

Douglas

Douglas Bain
Partner
Sydney
2 November 2020