Football Federation Australia Limited

ACN 106 478 068

Financial Report for the financial year ended 30 June 2011

Contents

Directors' Report

Directors

The directors of Football Federation Australia Limited ("**the company**") submit herewith the annual financial report for the year ended 30 June 2011 ("**the financial year**"). In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

Mr F Lowy AC, Chairman

Mr Lowy was appointed to the board on 26 September 2003. Mr Lowy is Chairman and co-founder of the Westfield Group. He is the founder and Chairman of the Lowy Institute for International Policy.

Mr B Schwartz AM, Deputy Chairman

Mr Schwartz was appointed to the board on 26 September 2003 and is Chairman of the Finance and Audit Committee and the A-League Committee. Mr Schwartz is the Chairman of Insurance Australia Group Limited, a non-executive director of Brambles Limited and the Deputy Chair of the Westfield Group. In 2005 he was appointed as CEO of Investec Bank (Australia) Limited. He retired from that role in 2009. Prior to this he was a Partner of Ernst & Young Australia, becoming its Chief Executive in 1998.

Ms M Dodd, Director

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

Mr J Healy, Director

Mr Healy was appointed to the board on 29 July 2010 and is also on the Finance and Audit Committee. Mr Healy has an extensive career in international banking having worked for major institutions in London, New Zealand and Australia. He is a member of the Group Executive Committee at NAB, responsible for its largest division, Business Banking.

Mr J Reilly, Director

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

Mr R Walker AC CBE, Director

Mr Walker was appointed to the board on 26 September 2003. Mr Walker has been a prominent businessman in Australia for more than 40 years and was Lord Mayor of Melbourne from 1974 to 1976. Mr Walker was co-founder, director and major shareholder of Hudson Conway Limited and co-founder of Crown Casino Limited and was Chairman of Fairfax Media Limited from 2005 to 2009. Mr Walker is Chairman of Evolve Development Pty Ltd and a Director of WAM Active Limited. Mr Walker's current honorary roles include Chairman of the Australian Grand Prix Corporation and Chairman of 2011 Victorian Floods Disaster Relief Fund. He is also a Member of the International Formula One Commission. Mr Walker was Chairman of the Melbourne 2006 Commonwealth Games Organising Committee, and a Member of the Sydney 2000 Olympic Bid Committee and Melbourne 1996 Olympic Bid Committee.

Directors' Report (continued)

Mr P Wolanski AM, Director

Mr Wolanski was appointed to the board on 26 September 2003 and is on the A-League Committee and Chair of the Football Development Committee. Mr Wolanski is Managing Director of DW & Co Pty Ltd, a property development and Investment company. Mr Wolanski is a member of the Governing Committee of the Temora Aviation Museum Limited.

Mr AL Owen, Director

Mr Owen was appointed to the board on 3 June 2007. From January 2000 to September 2006, Mr Owen was the Group Chief Executive of AXA Asia Pacific Holdings Limited. He was previously the Chief Executive of AXA Sun Life plc in the UK and was a member of the Global AXA Group Executive Board. Mr Owen resigned from the board on 25 January 2011.

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.

Principal activities

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

Operating and Financial Review

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

- With cross government support and after only five years' membership of AFC, Australia and FFA were awarded the hosting rights for the AFC Asian Cup 2015, Asia's premier sporting event.

- Following the Socceroos participation in the 2010 FIFA World Cup, their successful campaign continued at the 2011 AFC Asian Cup in Qatar where they reached the final. During the year, the team maintained their top 25 position in the FIFA World Rankings.

- The Matildas built on their success in the AFC Women's Asian Cup in 2010 by reaching the quarter finals at the 2011 FIFA Women's World Cup in Germany and as a result ascended to 9th position in the FIFA Women's World Rankings.

- The qualification of the Joeys and Young Socceroos for their respective 2011 FIFA World Cup tournaments in Mexico and Columbia.

- Continued investment in the Hyundai A-League which reached 1.405m in total attendances during the 2010/11 season (1.322m 2009/10 season) culminating in Brisbane Roar FC winning both the Premiership and Grand Final.

- The second year of an Indigenous Football Development program aimed at contributing to improved health and social outcomes for Aboriginal and Torres Strait Islanders as well as increasing participation in football from within these communities. The program includes the Indigenous Football Festival, the second of which was held in July 2011 in Alice Springs.

Directors' Report (continued)

The company and its members continued the implementation of several key initiatives identified in the National Football Development Plan to strengthen the future of the game. The National Football Development Plan is a major blueprint for the development of football in Australia encompassing grassroots and community as well as talented player identification and development programs and initiatives. The ongoing investments include:

- The third year of the National Youth League involving the Hyundai A-League clubs, providing a pathway for talented young players aspiring to play in the Hyundai A-League and participate in national teams.
- The third year of the National Women's competition, the Westfield W-League which is broadcast on ABC television.
- Continued implementation of the national coaching curriculum, resulting in standard curricula and resources for coaches from grassroots to elite level under a common national curriculum framework.
- The introduction of a greatly enhanced program for the recruitment, education and retention of referees at both grassroots and elite levels.
- Continued implementation of small-sided games for the youngest age groups across the country and rollout of the national schools 5-a-side program.
- Third operational year of the online National Player Registration system which now extends to the majority of states and territories in Australia, with full coverage expected by the end of 2012.

World Cup Bid

On 2 December 2010, the outcome of the bid for the 2022 FIFA World Cup was announced which was extremely disappointing. The work on the bid commenced in December 2008 when the Federal Government announced a grant of $45.6 million over three financial years to support the bid and culminated in the submission of the formal bid book in May 2010, the FIFA inspection tour during July 2010 and the final presentations in Zurich in December 2010. $12.7m of expenditure to support the Bid was incurred in the year ended 30 June 2011 (with a corresponding level of revenue recognised).

The Company has completed its reporting to the Federal Government on the bid. These reports which include financial reconciliations of expenditures have been reviewed and accepted by the Federal Government.

Financial Performance

The company's financial performance continues to follow a four year cycle related to the FIFA World Cup calendar. The 2011 financial year was the first year of the new cycle and as such does not include any income and expenditures generated as a direct result of participation in the 2010 FIFA World Cup Finals.

This financial year also includes continued investment in the growth of the Hyundai A-League. Together with providing annual grants to each club during the year, the company provided additional financial assistance to certain clubs. This is highlighted by the company holding 100% ownership of Adelaide United Football Club until October 2010, managing the transition and sale of the Newcastle Jets Football Club to new ownership in November 2010, assuming 100% ownership of North Queensland Fury Football Club in April 2010 until its closure at the end of the 2010/11 season and assuming 100% ownership of Brisbane Roar Football Club in April 2011.

Directors' Report (continued)

Changes in state of affairs

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

Subsequent events

Subsequent to the end of the financial year, the company has sold a 70% shareholding in Brisbane Roar Football Club.

Future developments

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

Environmental regulations

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

Dividends

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

Roundings

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 98/0100. The company is an entity to which the Class Order applies.

Directors' Report (continued)

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 5 Board meetings, 7 Finance and Audit committee meetings and 5 A-League Committees were held. A Football Development Committee was established before the end of the financial year, but no meetings had taken place during the financial year.

Directors	Board of Directors		Finance and Audit Committee		A-League Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
F Lowy AC	5	5	-	-	-	-
B Schwartz AM	5	5	7	7	5	5
M Dodd	5	5	-	-	5	4
AL Owen	3	2*	-	-	-	-
J Reilly	5	5	7	7	5	5
J Healy	5	5	5	5	-	-
R Walker AC CBE	5	**	-	-	-	-
P Wolanski AM	5	4	-	-	5	3***

* Mr Owen resigned from the Board on 25 January 2011.
** Mr Walker was on a leave of absence from the Board during the year due to health reasons. Mr Walker has subsequently returned to the board post year end.
*** Mr Wolanksi was unable to attend two of the A-League Committee meetings as they were scheduled at the same time as away Socceroos games where Mr Wolanski was acting in his capacity as Head of Delegation.

Directors' benefits

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

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

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

Indemnification of officers and auditors

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

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

Proceedings on behalf of the company

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

Auditor's Independence declaration

The auditor's independence declaration is included on page 9 of the financial report.

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

On behalf of the directors

F Lowy AC	B Schwartz AM
Chairman	Deputy Chairman
Sydney, 25 October 2011	Sydney, 25 October 2011

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

In relation to our audit of the financial report of Football Federation Australia Limited for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Douglas Bain
Partner
25 October 2011

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

We have audited the accompanying financial report of Football Federation Australia Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Ernst & Young

Opinion

In our opinion:

a. the financial report of Football Federation Australia Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

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

Ernst & Young

Ernst & Young

Douglas

Douglas Bain
Partner
Sydney
25 October 2011

Directors' Declaration

The directors declare that:

a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as they become due and payable; and

b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity.

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

On behalf of the directors

F Lowy AC
Chairman
Sydney, 25 October 2011

B Schwartz AM
Deputy Chairman
Sydney, 25 October 2011

Statement of Comprehensive Income
for the financial year ended 30 June 2011

	Note	Consolidated 2011 $000	2010 $000
Continuing Operations			
Revenue from Core Operations	2	80,006	91,754
World Cup Bid Grant funding		12,734	20,353
Total Revenue		**92,740**	**112,107**
Employee & Team Benefits		(21,419)	(26,169)
Grants & Distributions		(15,413)	(15,148)
Travel		(9,874)	(15,691)
Marketing & Media		(7,593)	(10,274)
Event Hosting		(4,277)	(5,525)
Administration		(2,442)	(2,616)
Broadcasting		(2,538)	(3,356)
Other Team Expenses		(1,332)	(1,850)
Professional & Consultants		(1,733)	(1,499)
Commissions		(4,643)	(3,296)
Communication & Technology		(1,866)	(1,831)
Insurance		(2,126)	(1,085)
Finance Costs		(208)	(175)
Other		(855)	(4,499)
World Cup Bid		(12,734)	(20,353)
(Deficit)/Surplus from continuing operations before income tax		**3,687**	**(1,260)**
Income tax expense	1 (i)	-	-
(Deficit)/Surplus from continuing operations after income tax		**3,687**	**(1,260)**
Discontinued Operations			
Loss from discontinued operations	24	(4,578)	(4,524)
Total (Deficit)/Surplus for the period		**(891)**	**(5,784)**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive (Deficit)/Surplus for the period		**(891)**	**(5,784)**

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Statement of Financial Position as at 30 June 2011

	Note	Consolidated 2011 $000	Consolidated 2010 $000
Current Assets			
Cash and cash equivalents	4	10,939	6,371
Trade receivables	5	13,419	29,044
Inventory		139	148
Prepayments		1,862	2,719
		26,359	**38,282**
Assets of disposal group classified as held for sale	24	744	920
Total Current Assets		**27,103**	**39,202**
Non-Current Assets			
Property, plant and equipment	6	1,480	2,040
Loan receivables	5	330	-
Intangible assets	7	511	745
Other financial assets	8	500	500
Total Non-Current Assets		**2,821**	**3,285**
Total Assets		**29,924**	**42,487**
Current Liabilities			
Trade and other payables	9	15,962	21,398
Borrowings	10	-	1,000
Provisions	11	1,109	1,134
Other	12	10,072	14,721
		27,143	**38,253**
Liabilities directly associated with the assets classified as held for sale	24	722	2,264
Total Current Liabilities		**27,865**	**40,517**
Non-Current Liabilities			
Borrowings	10	4,000	3,000
Provisions	13	110	130
Total Non-Current Liabilities		**4,110**	**3,130**
Total Liabilities		**31,975**	**43,647**
Net (Liabilities)/Assets		**(2,051)**	**(1,160)**
Members' (Deficit)/Surplus			
Accumulated (deficit)/surplus	21	(2,051)	(1,160)
Members' (Deficit)Surplus		**(2,051)**	**(1,160)**

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

Statement of Changes in Equity as at 30 June 2011

Consolidated	Accumulated surplus/(deficit) $000	Total attributable to members of the entity $000
Balance at 30 June 2009	**4,624**	**4,624**
Surplus/(Deficit) for the period	(5,784)	(5,784)
Other Comprehensive Income		
Balance at 30 June 2010	**(1,160)**	**(1,160)**
Surplus/(Deficit) for the period	(891)	(891)
Other Comprehensive Income		
Balance at 30 June 2011	**(2,051)**	**(2,051)**

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

Statement of Cash Flows
for the financial year ended 30 June 2011

	Note	Consolidated 2011 $000	Consolidated 2010 $000
Cash flows from operating activities			
Receipts from customers, Government and sponsors		104,955	106,103
Interest received		271	203
Payments to suppliers and employees		(100,152)	(109,591)
Interest and other costs of finance paid		(208)	(180)
Net cash flows provided by/(used in) operating activities	14(a)	**4,866**	**(3,465)**
Cash flows from investing activities			
Payments for property, plant and equipment		(138)	(296)
Payments for intangible assets		(160)	(489)
Net cash flows (used in)/provided by investing activities		**(298)**	**(785)**
Net increase/(decrease) in cash and cash equivalents		**4,568**	**(4,250)**
Cash and cash equivalents at the beginning of the period		6,371	10,621
Cash and cash equivalents at the end of the period	14(b)	10,939	6,371

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

Notes to the Financial Statements
For the year ended 30 June 2011

Note Contents

Notes to the Financial Statements
For the year ended 30 June 2011

1. **Summary of accounting policies**

Financial reporting framework

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

The financial statements were authorised for issue by the directors on 25 October 2011.

Basis of preparation

The nature of the operations and principal activities of the company and the entities controlled by the company, including Brisbane Roar Football Club Pty Ltd ("BRFC"), North Queensland Fury Football Club Pty Ltd (NQFC) and Local Organising Committee AFC Asian Cup 2015 Pty Ltd (LOC) ("the Group") are described in the Directors' report.

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are readily apparent from other sources.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Going Concern

The Group has a net current asset deficiency of $762,000 as at 30 June 2011 (2010: surplus $1,315,000) and a members' deficit of $2,051,000 (2010: deficit $1,160,000). The cash inflows from operating activities during the year were $4,866,000 (2010: outflow $3,465,000).

The accounts have been prepared on a going concern basis based on the operating cash flow projection for the 2012 financial year, which along with adequate bank financing facilities supports the group's ability to pay its debts as and when they fall due. The cash flow projection for 2012 includes special Government funding income which management is confident will be received.

Notes to the Financial Statements
For the year ended 30 June 2011

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

Accounting Policies

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

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

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and the entities controlled by the company, including Brisbane Roar Football Club Pty Ltd ("BRFC"), North Queensland Fury Football Club Pty Ltd (NQFC) and Local Organising Committee AFC Asian Cup 2015 Pty Ltd (LOC). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of BRFC, NQFC and LOC included in the consolidated income statement are from the effective date of acquisition. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. In the separate financial statements of the company, intra-group transactions are generally accounted for by reference to the existing book value of the items.

b) Cash and cash equivalents

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

c) Company limited by guarantee

Every member of the company undertakes, in accordance with the Constitution of the company, to contribute such amount (not exceeding $20.00) as may be required in the event of the winding up of the company during the time that they are a member or within one year afterwards. At 30 June 2011 the number of members was 10, being the nine State and Territory Federations and a representative of the Hyundai A-League Clubs (2010:10).

d) Employee benefits

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

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

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

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

e) Financial assets

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

Notes to the Financial Statements
For the year ended 30 June 2011

1. Summary of accounting policies (continued)

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

Loans and receivables

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

Available for-sale-investments

Investments in unquoted equity investments are measured at fair value. Where the fair value cannot be reliably measured the shares in the unquoted entities as at 30 June 2011 have been measured at cost.

f) Foreign currency

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

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

g) Goods and services tax

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

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

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

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

h) Impairment of assets

Impairment of financial assets

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

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

Notes to the Financial Statements
For the year ended 30 June 2011

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

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

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

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

i) Income tax

No provision has been made for income tax as the company is exempt in accordance with the terms of s50-45 of the Income Tax Assessment Act 1997. The two subsidiaries, Brisbane Roar Football Club Pty Ltd and North Queensland Fury Football Club Pty Ltd, are liable for income tax, however, no material tax liabilities have arisen during the year.

j) Intangible assets

Trademarks

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

Capitalised information technology costs

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

Notes to the Financial Statements
For the year ended 30 June 2011

1. Summary of accounting policies (continued)

k) Non-cash Items

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

l) Trade and other payables

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

m) Borrowings

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

n) Property, plant and equipment

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

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

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

o) Provisions

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

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

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

Notes to the Financial Statements
For the year ended 30 June 2011

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

p) Revenue recognition

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

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

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

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

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

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

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

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

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

Merchandising and other income are recognised on an accruals basis.

q) Leased assets

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

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

r) Inventory

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

s) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquired business and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquired business. For each business combination, the acquirer measures the non-controlling interest in the acquired business either at the fair value or at the proportionate share of the acquired business' identifiable net assets. Acquisition-related costs are expensed as incurred.

Notes to the Financial Statements
For the year ended 30 June 2011

1. Summary of accounting policies (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

t) New accounting standards and interpretations not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Group for the annual reporting period ended 30 June 2011. The directors have not yet assessed the impact of these new or amended standards and interpretations.

u) Adoption of new and revised accounting standards

In the current year, the Group has adopted all the new and revised Standards, and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. These standards include:

- AASB 2009-05 - AASB 5 - Disclosures in relation to non-current assets (or disposal groups) classified as held for sale or discontinued operations.
- AASB 2009-05 - AASB 8 – Disclosure of information about segment assets.
- AASB 2010-3 – Limits the scope of the measurement choices of non-controlling interest to instruments that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation.

Notes to the Financial Statements
For the year ended 30 June 2011

	Consolidated	
	2011	2010
	$000	$000
2. Revenue		
Operating revenue	79,735	91,551
Finance income	271	203
	80,006	**91,754**
World Cup grant funding	12,734	20,353
	92,740	**112,107**

3. Expenses		
Finance costs:		
Other borrowing costs	208	175
Other expenses from ordinary activities include:		
Net bad and doubtful debts	958	80
Depreciation of non-current assets:		
Property, plant and equipment	663	663
Amortisation of non-current assets:		
Intangible assets	394	440
Loss on disposal of property, plant and equipment	3	-
Net foreign exchange gains/(losses)	244	211
Employee benefit expense - superannuation	1,267	1,130
Operating lease rental expenses	748	599

Notes to the Financial Statements
For the year ended 30 June 2011

	Consolidated	
	2011	2010
	$000	$000
4. Cash and cash equivalents		
Cash on hand	2	2
Cash at bank (i)	10,937	6,369
	10,939	**6,371**

(i) $649,000 (FY10 $649,000) of the cash and cash equivalents balance is not available for use by the entity, this relates to cash held for lease and credit card guarantees.

	2011	2010
5. Receivables		
Current		
Trade receivables (i)	13,961	28,647
Less: Allowance for doubtful debts	(542)	(683)
Loans receivable	6,633	3,806
Less: Allowance for doubtful debts	(6,633)	(2,726)
	13,419	**29,044**
Non Current		
Loans receivable	330	-
	330	**-**

(i) The average credit period on sales of goods is 60 days. No interest is charged on trade receivables. An allowance for bad and doubtful debts has been made for estimated irrecoverable amounts. This allowance has been based on recoverability of current balances due to current circumstances. The movement in the allowance has been recognised in the income statement for the current financial year.

At 30 June 2011, the ageing analysis of trade receivables is as follows:

	2011	2010
Past due		
1-30 days	1,587	2,593
31-60 days (PDNI)	7	1,164
31-60 days (CI)	33	-
61-90 days	140	183
>90 days (PDNI)	1,839	451
>90 days (CI)	509	683
Totals	**4,115**	**5,074**

* Past due not impaired (PDNI)
Considered impaired (CI)

Notes to the Financial Statements
For the year ended 30 June 2011

6. Property, plant and equipment

	Consolidated				
	Leasehold property	Furniture, fittings and office equipment	Motor vehicles	Leasehold improvements	Total
	$000	$000	$000	$000	$000
Gross carrying amount					
Balance at 30 June 2009	350	2,335	31	766	3,482
Additions	-	264	-	32	296
Disposals	-	(296)	-	-	(296)
Assets included in discontinued operations (Note 24)	-	(29)	-	-	(29)
Balance at 30 June 2010	350	2,274	31	798	3,453
Additions	-	171	-	-	171
Disposals	-	(29)	-	-	(29)
Assets included in discontinued operations (Note 24)	-	(35)	-	-	(35)
Balance at 30 June 2011	350	2,381	31	798	3,560
Accumulated depreciation					
Balance at 30 June 2009	(40)	(945)	(19)	(49)	(1,053)
Depreciation expense	(7)	(495)	(6)	(155)	(663)
Disposals	-	296	-	-	296
Assets included in discontinued operations (Note 24)	-	7	-	-	7
Balance at 30 June 2010	(47)	(1,137)	(25)	(204)	(1,413)
Depreciation expense	(7)	(490)	(6)	(160)	(663)
Disposals	-	(7)	-	-	(7)
Assets included in discontinued operations (Note 24)	-	3	-	-	3
Balance at 30 June 2011	(54)	(1,631)	(31)	(364)	(2,080)
Net book value					
Balance at 30 June 2010	303	1,137	6	594	2,040
Balance at 30 June 2011	296	750	-	434	1,480

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

Notes to the Financial Statements
For the year ended 30 June 2011

6. Property, plant and equipment (continued)

The company holds a leasehold interest in:

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

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

7. Intangible Assets

	Consolidated		
Gross carrying amount	**Trademarks**	**Information Technology**	**Total**
	$000	**$000**	**$000**
Balance at 30 June 2009	46	1,463	1,509
Additions	-	489	489
Balance at 30 June 2010	46	1,952	1,998
Additions	-	160	160
Balance at 30 June 2011	46	2,112	2,158
Accumulated Amortisation			
Balance at 30 June 2009	(16)	(796)	(812)
Amortisation expense	(5)	(436)	(441)
Balance at 30 June 2010	(21)	(1,232)	(1,253)
Amortisation expense	(4)	(390)	(394)
Balance at 30 June 2011	(25)	(1,622)	(1,647)
Net book value			
Balance at 30 June 2010	25	720	745
Balance at 30 June 2011	21	490	511

Notes to the Financial Statements
For the year ended 30 June 2011

	Consolidated	
	2011	2010
	$000	$000
8. Non-current financial assets		
At cost:		
Unlisted investment		
- shares in unquoted entities (a)	500	500
	500	**500**

(a) Included in unlisted investments at cost are shares in unquoted entities, whose shares cannot reliably be measured.

Name	Class of Share	Ownership Interest		Carrying Amount of Investment	
		2011	2010	2011	2010
		%	%	$	$
Central Coast FC Mariners Pty Ltd	Ord	7.23	7.23	500,000	500,000
		-	-	**500,000**	**500,000**

The above company is a holder of a license to participate in the Hyundai A-League competition.

In addition to the above unlisted investments the Parent company holds the following unlisted investment shares at cost.

Name	Class of Share	Ownership Interest		Carrying Amount of Investment	
		2011	2010	2011	2010
		%	%	$	$
The "A" League Pty Limited	Ord	100%	100%	2	2
Adelaide United Football Club Pty Limited	Ord	0%	100%	0	1
North Queensland Fury Football Club Pty Limited	Ord	100%	100%	1	1
Brisbane Roar Football Club Pty Limited	Ord	100%	0%	1	0
Local Organising Committee AFC Asian Cup 2015 Pty Ltd	Ord	100%	100%	1	1
Australian Local Organising Committee Pty Ltd	Ord	100%	100%	1	1

Notes to the Financial Statements
For the year ended 30 June 2011

	Consolidated	
9. Current trade and other payables	**2011**	**2010**
	$000	**$000**
Unsecured		
Trade payables (i)	4,704	8,022
Other creditors and accruals	6,601	8,657
Royalties distribution	480	981
GST payable	1,563	1,311
Payroll clearing	83	85
Other payables	2,531	2,342
	15,962	**21,398**

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

10. Borrowings

Unsecured		
Current		
Loan : Australian Sports Commission (i)	-	1,000
Non-current		
Loan : Australian Sports Commission	4,000	3,000
	4,000	**4,000**

(i) The Australian Sports Commission loan is currently repayable in four equal instalments on 31st July 2012, 31st Jan 2013, 31st July 2014 and 31st Dec 2014, but is under considered as part of the Strategic Review by the Commonwealth of Australia.
The loan is carried at amortised cost. Interest repayments on this loan are due at the end of each financial year up to the final capital repayment date of 31st Dec 2014. The interest charged on this loan is half of the government 10 year bond rate plus 3%.

The Company had an undrawn banking overdraft facility of $1m as at 30th June 2011.

11. Current provisions

Employee benefits (note 16)	1,109	1,134
	1,109	**1,134**

12. Other liabilities

Current		
Income received in advance	10,072	14,721
	10,072	**14,721**

13. Non-current provisions

Employee benefits (note 16)	110	130
	110	**130**

Notes to the Financial Statements
For the year ended 30 June 2011

14. Notes to the cash flow statement

	Consolidated 2011 $000	Consolidated 2010 $000
(a) Reconciliation of Surplus/(Deficit) for the year to cash flows from operating activities		
Surplus/(Deficit) from ordinary activities	**(891)**	**(5,784)**
Amortisation of non-current assets	394	440
Depreciation of non-current assets	663	663
Loss on disposal of non-current assets	3	-
(Increase)/decrease in assets:		
Trade and loan receivables	15,585	(6,526)
Inventory	(17)	(96)
Other assets	798	2,877
Increase/(decrease) in liabilities:		
Trade and other payables	(6,294)	9,391
Other liabilities	(5,293)	(4,670)
Provisions for employee entitlement – current	(63)	186
Provisions for employee entitlement – non-current	(19)	54
Net cash flow from operating activities	4,866	(3,465)

(b) Reconciliation of cash and cash equivalents

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2011 $000	2010 $000
Cash on hand	2	2
Cash at bank	10,937	6,369
	10,939	6,371

Notes to the Financial Statements
For the year ended 30 June 2011

15. Leases

Operating leases

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

	Consolidated	
Non-cancellable operating lease payments	**2011**	**2010**
	$000	**$000**
Not longer than 1 year	622	592
Longer than 1 year and not longer than 5 years	429	1,051
	1,051	1,643

16. Employee benefits

Provision for employee benefits:

Current (note 11)	1,109	1,134
Non-current (note 13)	110	130
	1,219	1,264

	No.	**No.**
Number of employees at end of financial year	107	150

Consisting of:

Football Federation Australia	74	86
Adelaide United Football Club	-	46
North Queensland Fury Football Club	-	18
Brisbane Roar Football Club	33	-

Notes to the Financial Statements
For the year ended 30 June 2011

17. Related party transactions

Directors

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

F Lowy AC, Chairman

B Schwartz AM, Deputy Chairman

M Dodd, Director

J Healy, Director

J Reilly, Director

P Wolanski AM, Director

AL Owen, Director (resigned 25 January 2011)

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

During the year the company received sponsorship revenue of $1,250,000 (2010: $1,375,000) from Westfield Limited, of which F Lowy AC is Chairman and B Schwartz AM is a Director.

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

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

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

M Dodd is a partner of Gilbert + Tobin Lawyers. Gilbert + Tobin provided services to the FFA during the year unrelated to M Dodd's directorship to the value of $44,210.

J Healy is a member of the Group Executive Committee at NAB. During the year the company received sponsorship revenue of $1,143,750 (2010: $1,000,000) from NAB. The company also utilises NAB as its main business bank and has an overdraft facility of $1m with the bank which is secured by a fixed and floating charge over the company's general assets.

As disclosed in note 8 to the financial statements, the company had a 100% interest in Brisbane Roar Football Club at 30 June 2011 (2010: 0%).

Key management personnel

	Consolidated	
	2011	**2010**
	$000	**$000**
The aggregate compensation of the key management personnel of the company, being members of the management committee, is set out below		
Short-term employee benefits	3,492	3,362
Post-employment benefits	141	85
	3,633	3,447

Notes to the Financial Statements
For the year ended 30 June 2011

	Consolidated	
	2011	2010
18. Remuneration of auditors	$000	$000
Amounts received or due for:		
Auditing the financial report	122	124
Other non audit services		
- Tax compliance	85	82
- Assurance services	61	44
	268	250

Ernst & Young were the auditors for the financial year ended 30th June 2011 (2010 – Ernst & Young)

19. Segment information

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

Notes to the Financial Statements
For the year ended 30 June 2011

20. Financial instruments

(a) Significant accounting policies

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

(b) Categories of financial instruments

	Consolidated 2011 $000	Consolidated 2010 $000
Financial Assets		
Loans and receivables	13,749	29,044
Cash and cash equivalents	10,939	6,371
Available-for-sale financial assets	500	500
Financial liabilities		
Trade payables	4,704	8,022
Other creditors and accruals	11,258	13,376
Borrowings	4,000	4,000

(c) Financial risk management objectives

The company has adopted a policy of regularly reviewing its cash balances and managing its exposure to interest rate fluctuations on its cash and cash equivalents through the use of term deposits. The company has adopted a policy for managing its exposure to foreign currency rate movements on foreign sourced income as per notes e) and g).

(d) Interest rate risk management

The company is exposed to interest rates on its cash and cash equivalents which are subject to floating interest rates on cash deposits.
The following table details the company's exposure to interest rate risk as at the reporting date.

	Consolidated			
	Average interest rate %	Amounts subject to variable interest rate $000	Amounts that are non-interest bearing $000	Total $000
2011				
Financial assets				
Cash and cash equivalents	4.77%	10,937	2	**10,939**
Trade and loan receivables			13,749	**13,749**
		10,937	**13,751**	**24,688**
2011				
Financial liabilities				
Trade payables	4.07%	-	4,704	**4,704**
Other creditors and accruals		-	11,258	**11,258**
Other loans		4,000	-	**4,000**
		4,000	**15,962**	**19,962**

Notes to the Financial Statements
For the year ended 30 June 2011

20. **Financial instruments (continued)**

	Consolidated			
	Average interest rate	Amounts subject to variable interest rate	Amounts that are non-interest bearing	Total
	%	$000	$000	$000
2010				
Financial assets				
Cash and cash equivalents	3.45%	6,369	2	**6,371**
Trade and loan receivables		-	29,044	**29,044**
		6,369	**29,046**	**35,415**
2010				
Financial liabilities				
Trade payables		-	8,022	**8,022**
Other creditors and accruals		-	13,376	**13,376**
Other loans	4.07%	4,000	-	**4,000**
		4,000	**21,398**	**25,398**

Interest rate sensitivity analysis

The company is exposed to interest rate risk as an amount has been borrowed from the Australian Sports Commission at a floating interest rate based on the 10 year Commonwealth Bond rate.
At the reporting date, if the Commonwealth Bond rate had been 50 basis points higher or lower and all other variables were held constant there would be no material effect on surplus for the year and net assets and therefore a full sensitivity analysis has not been undertaken.

(e) Market risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer note 20(g)) and interest rates (refer note 20(d)). The company does not enter into any derivative financial instruments to manage against this exposure to interest rates as this risk is viewed as not material, however, it does enter into forward currency instruments to mitigate foreign currency risk. As at the balance sheet date the company has no forward currency contracts or forward currency options in place.

(f) Credit risk management

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

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

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

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

(g) Foreign currency risk

The company is exposed to foreign currency rates in relation to prize money, grant income and event costs. Foreign currency risk is managed and assessed on an individual event basis. The company did not enter into any derivative financial instruments during the financial year, however, a zero cost forward cap and collar contract was entered into in the prior year to manage the risk of exchange rate fluctuation relating to World cup prize money. The forward cap and collar contract was not exercised.

Notes to the Financial Statements
For the year ended 30 June 2011

20. Financial instruments (continued)

Liquidity risk management

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

Liquidity and interest risk tables

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

	Weighted average effective interest rates	Less than 1 month $000	1-3 months $000	3 months to 1 year $000	1-5 years $000
2011					
Non-interest bearing	-	7,979	3,644	3,222	846
Variable interest rate instruments	4.73%	-	-	173	4,174
		7,979	3,644	3,395	5,020
2010					
Non-interest bearing	-	10,764	7,535	503	-
Variable interest rate instruments	4.07%	-	-	149	4,111
		10,764	7,535	652	4,111

(i) Other price risks

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

21. Accumulated deficit

	Consolidated	
	2011	**2010**
	$000	**$000**
Accumulated surplus/(deficit) at the beginning of the financial year	(1,160)	4,624
Surplus/(Deficit) for the financial year	(891)	(5,784)
Accumulated surplus/(deficit) at the end of the financial year	(2,051)	(1,160)

Notes to the Financial Statements
For the year ended 30 June 2011

22. Commitments for expenditure

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

	Consolidated	
	2011	2010
Other commitments	$000	$000
Within one year	2,538	5,447
After one year and not more than five years	1,269	3,808
After more than five years	-	-
	3,807	9,255

23. Business Combinations

Brisbane Roar Football Club
In April 2011 FFA assumed responsibility for Brisbane Roar Football Club, forming a new company, Brisbane Roar Football Club Pty Ltd.

24. Discontinued operations

(a) Details of operations ceased, disposed and held for sale

North Queensland Fury Football Club
During the year NQFC operations were discontinued as the club ceased to operate at the end of the 2010/11 season.

Adelaide United Football Club
On 5 November 2010 the company entered into a sale agreement to dispose of Adelaide United Football Club. The disposal was completed on 8 November 2010, on which date control of the business passed to the acquirers.

Brisbane Roar Football Club
In April 2011 FFA assumed responsibility for Brisbane Roar's A-League operations, forming a new company, Brisbane Roar Football Club Pty Ltd.

(b) Financial performance of the operations ceased, disposed and held for sale

	Consolidated	
	2011	2010
	$000	$000
Revenue	2,195	5,395
Expenses	6,773	9,919
Loss before tax from discontinued operations	(4,578)	(4,524)
Tax income	-	-
Loss for the year from discontinued operations	(4,578)	(4,524)

Notes to the Financial Statements
For the year ended 30 June 2011

24. Discontinued operations (continued)

(c) Assets and liabilities of operations ceased and held for sale

	Consolidated	
	2011	2010
	$000	$000
Assets		
Property, plant and equipment	54	22
Inventory	26	-
Prepayments	103	46
Trade receivables	561	852
	744	920
Liabilities		
Trade payables	487	1,347
Other	235	917
	722	2,264
Net assets/(liabilities) attributable to operations ceased and held for sale	22	(1,344)

25. Subsequent Events

Subsequent to the end of the financial year, the company has sold a 70% shareholding in Brisbane Roar Football Club.

26. Parent Entity Information

	Company	
	2011	2010
	$000	$000
Current assets	23,058	38,282
Total assets	25,879	41,567
Current liabilities	23,842	38,253
Total liabilities	27,952	41,382
Members Accumulated Surplus/(Deficit)	(2,073)	185
Total (Deficit)/Surplus for the year	(2,258)	(5,304)

The parent has not entered into any guarantees in relation to the debts of its subsidiaries.
The parent company does not have any contingent liabilities.
The contractual commitments of the parent company are as per note 22.

27. Additional company information

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

Registered office and principal place of business:

Level 22
1 Oxford Street
Darlinghurst
NSW 2010