

PROFESSIONAL FOOTBALLERS AUSTRALIA INC
REG No. A0027415N
ARBN 083 328 581

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

PROFESSIONAL FOOTBALLERS AUSTRALIA INC
REG No. A0027415N
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PROFESSIONAL FOOTBALLERS AUSTRALIA INC
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COMMITTEE'S REPORT

Your committee members submit the financial report of the Professional Footballers Australia Inc. for the year ended 30th June 2020.

Committee Members

Alex Wilkinson (President)
Kathryn Gill (Joint Chief Executive Officer)
Mile Jedinak
Nigel Boogaard
Kim Carroll
Glen Moss
Francis Awaritefe

Brendan Schwab (Chairman)
Beau Busch (Joint Chief Executive Officer)
Lydia Williams
Elise Kellond-Knight
Nikolai Topor-Stanley
Tameka Yallop

Principal Activities

The principal activity of the association during the financial year was to represent inter alia the professional, industrial and employment interests of its members who are professional footballers.

Significant Changes

No significant changes to the operations of the PFA for the year ended 30th June 2020.

Operating Result

The loss amounted to \$353,485. (2019: surplus \$290,254).

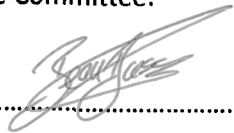
The PFA budgeted for a surplus for the year ended 30th June 2020. Up until the global pandemic, the PFA was achieving a surplus. With the football season put on hold in late March 2020, financial pressures on the game and the players suffering severe financial hardship the PFA with its cash reserves, contributed significant moneys to the players hardship fund and agreed to forgo, FFA instalment income. This contributed to the loss for the year ended 30th June 2020.

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the PFA, the results of those operations, or the state of affairs of the PFA in subsequent financial years.

Signed in accordance with a resolution of the Members of the Committee:


.....
Joint Chief Executive Officers
Kathryn Gill


.....
Beau Busch

Dated this ...22... day ofOctober..... 2020.

PROFESSIONAL FOOTBALLERS AUSTRALIA INC.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
REVENUE AND OTHER INCOME			
Revenue	2	3,908,985	3,925,979
TOTAL REVENUE AND OTHER INCOME		3,908,985	3,925,979
Employee benefits expenses		(1,697,474)	(1,241,882)
Depreciation and amortisation expenses		(96,785)	(24,206)
Travelling expenses		(96,652)	(83,281)
Administration Expenses		(1,243,063)	(999,154)
Legal expenses		(4,211)	(6,149)
Rent		-	(87,404)
Career development program		(658,885)	(765,301)
Events & Member benefits		(35,730)	(119,345)
Player relations and programs		(330,913)	(182,227)
FIFPro		(27,715)	(22,153)
FIFPro Asia		(6,302)	(5,923)
Chairman's Expenses		(46,304)	(80,000)
Other Expenses		(18,436)	(18,701)
TOTAL EXPENDITURE		(4,262,470)	(3,635,725)
SURPLUS / (DEFICIT) FOR THE YEAR		(353,485)	290,254
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		(353,485)	290,254

The accompanying notes form part of these financial statements

PROFESSIONAL FOOTBALLERS AUSTRALIA INC.

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	1,922,151	2,350,868
Trade and Other Receivables	5	579,743	477,813
TOTAL CURRENT ASSETS		2,501,894	2,828,681
NON-CURRENT ASSETS			
Plant and Equipment	6	309,296	200,549
Intangible Assets	7	1,133	1,133
TOTAL NON-CURRENT ASSETS		310,429	201,682
TOTAL ASSETS		2,812,322	3,030,364
CURRENT LIABILITIES			
Trade and Other Payables	8	372,866	302,999
Provisions	9	136,954	104,437
TOTAL CURRENT LIABILITIES		509,821	407,436
NON-CURRENT LIABILITIES			
Provisions	9	9,252	8,924
Lease Liability		32,731	-
TOTAL NON-CURRENT LIABILITIES		41,983	8,924
TOTAL LIABILITIES		551,804	416,360
NET ASSETS		2,260,519	2,614,004
MEMBER'S FUNDS			
Contributed Equity		50	50
Retained Profits		2,260,469	2,613,954
TOTAL MEMBERS' FUND		2,260,519	2,614,004

The accompanying notes form part of these financial statements

PROFESSIONAL FOOTBALLERS AUSTRALIA INC.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Contributed Equity \$	Retained Earnings \$	Total \$
Balance as at 30th June 2018	50	2,323,701	2,323,751
Surplus attributable to members	-	290,254	290,254
Balance as at 30th June 2019	50	2,613,954	2,614,004
Surplus attributable to members	-	(353,485)	(353,485)
Balance as at 30th June 2020	50	2,260,469	2,260,519

The accompanying notes form part of these financial statements

PROFESSIONAL FOOTBALLERS AUSTRALIA INC.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts re: Contracted Income		3,636,178	4,269,164
Payments to Suppliers and Employees		(4,121,709)	(3,759,927)
Interest Received		69,600	49,106
Interest Paid		-	-
Net Cash Provided by Operating Activities	10(b)	(415,931)	558,343
CASHFLOW FROM INVESTING ACTIVITIES			
Payment for Intangible Assets		-	-
Payment for Property, Plant and Equipment		(12,786)	(31,823)
Net Cash Used in Investing Activities		(12,786)	(31,823)
Net Increase in Cash Held		(428,717)	526,520
Cash at Beginning of Financial Year		2,350,868	1,824,348
Cash at End of Financial Year	10(a)	1,922,151	2,350,868

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act of Victoria. The committee has determined that the association is not a reporting entity.

The financial report covers Professional Footballers Australia Inc. as an individual entity. Professional Footballers Australia Inc. is an incorporated association which is incorporated and domiciled in Australia.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act of Victoria and the following applicable Accounting Standards in Australia:

- AASB 101: Presentation of Financial Statements
- AASB 107: Cash Flow Statements
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1054: Australian Additional Disclosures
- AASB 16: Leases

The Professional Footballers Australia Inc. has applied the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

The adoption of these standards did not have a material financial impact on the current reporting period or the prior comparative reporting period.

The Professional Footballers Australian Inc. has adopted AASB 16 Leases using the modified retrospective (cumulative catchup-method) from 1st December 2019 and therefore the comparative information for the year ended 30th June 2020 has not been restated. The Professional Footballers Australian Inc. recognised a right to use asset of \$192,745.28 and lease liabilities at 1st December 2019, for the lease over the office in Melbourne.

No other Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or except where specifically stated, current valuations of non-current assets. The financial report is prepared in Australian dollars.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Significant Judgements and Key Assumptions

No significant judgements have been made in applying accounting policies that have a significant effect on the amounts recognised in the financial statements. No key assumptions have been made concerning the future and there are no other key sources of estimation, uncertainty at the balance date that the committee members consider to have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and with are subject to an insignificant risk of changes in value, and bank overdrafts.

(b) Trade Receivables

Trade receivables are recognised at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivable.

(c) Plant and Equipment and right to use assets

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation on Plant and Equipment is calculated using either the straight-line or the diminishing value method depending on the type of asset, over their estimated useful lives or in the case of leasehold improvements the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

Right of use assets are measured at cost and comprise of the amount that corresponds to the amount recognised for the lease liability on initial recognition together with any lease payments made.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

The depreciation charge relating to office building lease is presented as part of depreciation and amortisation expense. The Professional Footballers Australian Inc. does not recognise a right of use asset for short term, or low value leases, instead the expense is recognised over the lease term as appropriate as part of operating expenses in the income statement.

(d) Intangibles

Intangible assets that have a finite useful life are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired or whenever events or circumstances indicate that the carrying amount may not be recoverable. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method as appropriate which is a change in the accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(e) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the association prior to the end of financial year which are unpaid. These amounts are unsecured and are usually payable within 30 days of recognition.

(f) Provisions and Accruals

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(g) Employee Benefits

Charges have been made against profits for amounts expected to be paid to employees for accrued annual leave and long service leave. Amounts accrued which represent vested entitlements are shown as current liabilities. Amounts accrued for long service benefits which are vested are shown as non-current liabilities and are calculated on the basis of the unvested rights of employees.

Contributions are made to employee superannuation funds and are charged as expenses when incurred. All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans or equivalent provided accumulated benefits. Contributions are made in accordance with the statutory requirements of each jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the Australian Taxation Office, is included with other receivables or payables in the Balance Sheet.

(i) Leases

The Professional Footballers Australia Inc leases its Melbourne office, for which a lease agreement is entered into typically for a fixed period of time. Leases are recognised as a right of use asset and a corresponding liability at the commencement date, of the lease, in this case on the 1st December 2019 in line with AASB 16.

Lease liability are initially measured at the present value of the future lease payments at the commencement date, discounted using the interest rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate). Lease payments are allocated between principle and interest expense. Interest expense is allocated to the income statement.

Lease liabilities are remeasured when there is a change in the future lease payments arising from a change in the lease term. When the lease liability is remeasured, a corresponding adjustment is made to the carrying value of the right of use asset.

The lease liability is split between current liabilities for the liability due in the next 12 months and any term over the 12 months as a non-current liability.

(j) Revenue

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Sponsorship income is recognised over the term of the agreement as set out in the sponsorship agreements. Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt. All revenue is stated net of the amount of GST.

(k) Income Tax Expense

The Executive is of the opinion that the Professional Footballers Australia Inc. satisfies the necessary prerequisites to be an unregistered trade union pursuant to section 50-55 of the ITAA97. The Association is located in Australia, undertakes its activities principally in Australia and it is an association of workers established for the protection and furtherance of workers interests. The tax exempt status of Professional Footballers Australia Inc. as an unregistered trade union allows no recognition of income tax expense in the statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

(I) Financial Instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance. Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Association comprise trade payables, bank and other loans and finance lease liabilities.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
NOTE 2: REVENUE		
Operating activities		
- Interest	69,600	49,106
- Member Subscriptions	100,241	115,410
- Player Representation	529,320	754,920
- Career Development Program	1,541,318	1,750,000
- ABA Income	15,226	20,833
- FIFPro	1,184,586	840,209
- FIFPro Asia	-	37,655
- COVID 19 Gov assistance	128,000	-
- Other Revenue	340,694	357,846
	<u>3,908,985</u>	<u>3,925,979</u>
Interest from:		
- Term Deposits	-	8,080
- La Trobe Financial	336	36,598
- Other	69,264	4,428
	<u>69,600</u>	<u>49,106</u>
NOTE 3: AUDITORS' REMUNERATION		
Remuneration of the auditor		
- Auditing and reviewing the financial report	<u>12,000</u>	<u>11,400</u>
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash on hand	50	50
Term Deposits	1,411,010	1,430,877
Petty Cash	5	5
Cash at Bank	511,086	919,936
Total Cash and Cash Equivalents	<u>1,922,151</u>	<u>2,350,868</u>
NOTE 5: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade Debtors	473,226	201,767
Sundry Debtors	165,385	55,571
Less: Allowance for Doubtful Debts	(141,530)	(56,136)
Other Receivables	5,122	5,721
Prepayments	47,506	242,474
Security Deposit	30,034	28,417
Total Trade and Other Receivables	<u>579,743</u>	<u>477,813</u>

The accompanying notes form part of these financial statements

PROFESSIONAL FOOTBALLERS AUSTRALIA INC.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
NOTE 6: PLANT & EQUIPMENT AND RIGHT OF USE ASSETS		
Office Equipment at cost	151,289	138,503
Less accumulated depreciation	(103,097)	(88,197)
Leasehold Improvements	176,368	176,368
Less accumulated depreciation	(43,761)	(26,124)
Right of use assets	192,745	-
Right to use assets - accumulated amortisation	(64,248)	-
Total Plant & Equipment and right of use assets	309,296	200,549
NOTE 7: INTANGIBLE ASSETS		
Trademark	1,000	1,000
Formation Costs	133	133
Web Design and Build	37,605	37,605
Less accumulated depreciation	(37,605)	(37,605)
Database	18,349	18,349
Less accumulated amortisation	(18,349)	(18,349)
Total Intangible Assets	1,133	1,133
NOTE 8: TRADE AND OTHER PAYABLES		
CURRENT		
Trade Payable	82,961	170,804
Sundry Creditors	1,566	1,745
Mastercard	1,664	3,147
GST Payable	32,192	41,369
Superannuation Payable	8,622	6,787
PAYG Withholding	26,178	20,710
FBT Payable	(198)	-
Accruals - Various	107,313	35,884
Accruals - Auditors Remuneration	16,000	11,400
Accruals - PFA Scholarships	19,052	10,000
Payroll Tax	-	1,153
Lease Liability	77,516	-
Total Trade and Other Payables	372,866	302,998
NOTE 9: PROVISIONS		
Provision - Annual Leave	136,954	104,437
Provision - Long Service Leave	9,252	8,924
Total Provisions	146,206	113,361

The accompanying notes form part of these financial statements

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
NOTE 10: CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash at the end of the financial year shown in the statement of cashflow is reconciled to the related items in the Balance Sheet as follows:		
Cash on hand	50	50
Cash at bank	1,922,101	2,350,818
	<u>1,922,151</u>	<u>2,350,868</u>
(b) Reconciliation of cash flow from operations with operating surplus		
Operating Surplus / (Deficit)	(353,485)	290,254
Non-cash flow items in profit		
Depreciation, amortisation and make good provision	96,785	24,206
Provision for doubtful debts	85,394	56,136
Net loss on sale of plant and equipment	-	-
Change in Assets and Liabilities		
Increase / (Decrease) in receivables	(187,323)	372,681
Increase / (Decrease) in provision	- 29,229	4,667
Increase / (Decrease) in payables	(28,073)	(189,601)
Cash flow from Operations	<u>(415,931)</u>	<u>558,343</u>

NOTE 12: ASSOCIATION DETAILS

The principal place of business of the association is:

Professional Footballers Australia Inc.

Suite 2

55 Walsh Street

WEST MELBOURNE VIC 3003

PROFESSIONAL FOOTBALLERS AUSTRALIA INC
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AS TRUSTEE FOR THE AUSTRALIAN SOCCER PLAYERS ASSOCIATION TRUST

STATEMENT BY MEMBERS OF THE EXECUTIVE COMMITTEE OF MANAGMENT


The committee have determined that the association is not a reporting entity.

The committee have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

In the opinion of the committee the financial report as set out in pages 2 -15;

1. Presents a true and fair view of the financial position of the Professional Footballers Australia Inc. as at 30 June 2020 and its performance for the financial year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the Professional Footballers Australia Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the Committee by:


.....
Committee Members / Joint Chief Executive Officers
Kathryn Gill


.....
Beau Busch

Dated this 22 day of October 2020.