FINANCIAL REPORT 2010/2011

Touch Football AUSTRALIA

FINANCIAL REPORT 2010/2011

2011 Financial Year

Managing Touch Football Australia's Financial Resources

Operating Result

Touch Football Australia (TFA) achieved an operating surplus of $303,047 for the financial year ended 30 June 2011. TFA reported a surplus in 2010 of $252,766. The operating result for 2011 reflects TFA's operations in the reporting year, which accounts for the delivery of strategic priorities and operational management within the unified management structure with the first full year of operation with the inclusion of the Australian Capital Territory.

The Financial Statements for 2011 reports on the consolidation of all States within the model.

Maintaining capabilities

The four strategic priorities of TFA (Corporate Leadership; Sport Management; Sport Development; and Operational Services) provided the context within which TFA's Budget for 2011 was developed. These strategic priorities are reflected in organisation wide strategic budget allocations, as well as the operational plans for individual state offices. The additional key priority area in the 2011 Financial Year included the attendance at, participation in, and management support of the 2011 Federation of International (FIT) Touch World Cup in Edinburgh.

TFA has implemented, and continues to review and renew, a number of strategies to ensure that the organisation remains in a position financially and resourcefully to respond quickly to change, conditions and external influences. Importantly, TFA is able to maintain and progress the Mission, Vision, Values and Strategic Priorities as assured to members.

Budget strategies and operational initiatives work in parallel and are designed to:

- Continue to focus TFA's operational activities and resources profile (staff and financial) in areas of strength
- Improve the quality of activities, services and outcomes; and
- Ensure that TFA remains financially capable and viable by a combination of strategies and improved efficiencies.

TFA's Economic Mission reflects the focus of the organisation in this area: To preserve the ongoing economic viability of the organisation while ensuring the financial accessibility of the sport of Touch Football remains".

The financial performance of TFA in the 2011 reporting year satisfies the outcomes in achieving this Mission.

Throughout 2011 TFA operated within key budget parameters and revised parameters approved by the Board of Management. The reporting environment, including month end processes and analysis of performance to budget, are critical to maintaining financial and corporate management outcomes, with valuable stewardship and guidance provided by the Board of Management.

This sound environment of analysis and reporting, allowed some critical decision making to be undertaken as part of the mid-year review. Management made several submissions to the Board of Management, and based on the confidence in the financial aspects associated with the proposals, a number of risk managed objectives were undertaken. This included, but is not limited to, direct funding support of the World Cup contingent from Australia; management support to FIT; assessing the impact of partner trends, the flood issues with respect to affiliation and the early initiation of participation programs.

In maintaining the robust corporate structure of TFA, now enhanced by the unified management model, total equity is $3.431m. This equity includes $1.844m retained earnings.

Analysis of revenue and cost drivers

Focussed results have been:

- Continually improving service level, responsiveness and quality of administration
- Continually improving staff capability, level of empowerment and value through clarifying role accountabilities and responsibilities and providing relevant opportunities and career progression; and
- Consolidating and reducing duplicated efforts, particularly in the delivery of major events and tournaments.

Key financial ratios

TFA has been ongoing in maintaining and supporting a continuous improvement culture. This can be evidenced by the measurement in the presented table above where cost relativities have been maintained for strategic objectives. The relevance of this achievement can not be underestimated. In the reporting year costs were maintained to continuously deliver programs.

Reported revenue activities as a contribution to total revenue:

% Of Total Operating Revenue	2011 %	2010%
HR/Corporate Development	0.26%	0.23%
Sport Management	47.68%	53.24%
Sport Development	18.71%	14.90%
Sport Operations	20.46%	25.35%
High Performance	10.51%	3.70%
Business Operations	1.46%	1.41%
Property and Information Technology	0.92	1.17%
Total	100%	100%

Reported expense activity as a contribution to total costs:

Operating Expenses % of Total	2011 %	2010 %
Human Resources	32.00%	34.88%
Corporate Development	1.73%	2.05%
Sport Management	14.74%	18.69%
Sport Development	13.75%	12.09%
Sport Operations	14.76%	17.99%
High Performance	11.47%	3.13%
Business Operations	7.10%	8.69%
Property and Information Technology	4.45	2.48%
Total	100%	100%

Continuing financial sustainability

As at 30 June 2011, the ongoing financial sustainability of TFA is reported as sound.

Utilising the reported information by applying relative analysis on both the financial performance and financial position, and considering other information, a reasonable indication can be gained as to the ability to sustain the strategic purpose of TFA's enterprise.

In terms of relative measures of financial sustainability, some analysis of reported results can be examined as follows:

Measuring Stability

Financial stability indicators can be obtained by examining reported financial statements using ratio analysis for the purposes of expressing the relationship and interpretation of reported information.

Liquidity	2011	2010
current assets		
current liabilities	= 3.50 : 1	=2.17: 1
(often described		
as current ratio)		

This indicator is the most common demonstration of an organisation's ability to settle short term debts. The above analysis demonstrates in 2011 TFA has $3.50 in current assets to meet every $1 in short term debt. This is an important representation of TFA's ongoing financial stability.

The 'liquidity conversion' aspect of TFA's net assets is sound, given the major element of the net assets being property, plant and equipment. Working capital management and the components of the working capital cycle (summer and winter seasons) have been continually improving as well. This is clearly evidenced by financial management of costs and creditor payments cycle against a slow debtor payment culture.

Solvency	2011	2010
Debt/solvency ratio :		
total assets		
total liabilities	= 6.59: 1	= 4.34 : 1

The above analysis demonstrates the TFA's overall solvency and organisational robustness in that TFA has $6.59 in assets to meet every $1 in debt for 2011.

Stability	2011	2010
Debt to equity ratio :		
total liabilities		
total equity	=.179: 1	= .299 : 1

The above analysis examines TFA's ability to withstand adverse conditions and meet overall long term obligations. TFA demonstrates that for every $.18 (.179) debt there is $1 member's equity available. Effectively, this means that 82 cents per $1 equity would be returned to members if liquidated, as at 30 June 2011. TFA member's interests are being continually protected.

Measuring Performance

The reported operating result for TFA obviously indicates a reasonable surplus for 2011. Analysis and revision mid year allowed additional programs and support in areas that were risk managed to accommodate out-of-budget initiatives. It must be noted that an element of cost containment also occurred based on long term projections on key revenue items such as affiliation.

Operating return	2011	2010
Return on equity :		
net profit		
equity	= 9%	= 9%
Safety margin	**2011**	**2010**
Safety margin :		
net income		
total revenue	= 4.0%	= 4.2%)

The safety margin indicator is an amount by percentage by which revenue is able to drop before TFA's breakeven is reached. On examination it is identified that the safety margin for TFA is reasonably low historically (as with a not-for-profit enterprise) and large movements in revenue may place operations at risk.

This would be particularly so if there was a major decrease in member affiliation.

Garry Foran
Commercial Operations Manager

September 2011

TOUCH FOOTBALL AUSTRALIA INCORPORATED

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2011

TOUCH FOOTBALL AUSTRALIA INCORPORATED

BOARD REPORT

The Board commends to members, stakeholders and interested parties the reported operating result and the supporting Financial report for the financial year ended 30 June 2011.

Signed in accordance with a resolution of the Members of the Board.

Chairman

Chief Executive Officer

Dated this 26th day of September 2011

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Independent auditor's report to the members of Touch Football Australia Incorporated

Report on the financial report

We have audited the accompanying financial report of Touch Football Australia Incorporated (the association), which comprises the statement offi nancial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Members of the committee's responsibility for the financial report

The members of the committee of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Association Incorporation Act 1991 (ACT)* and for such internal control as they determine is 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members, 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 *Association Incorporation Act 1991 (ACT).*

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pwc

Independent auditor's report to the members of Touch Football Australia Incorporated (continued)

Auditor's opinion

In our opinion the financial report of the Touch Football Australia Incorporated is in accordance with the *Association Incorporation Act 1991 (ACT)*, including:

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

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements.

PricewaterhouseCoopers

Peter Sheville
Partner

29 September 2011

TOUCH FOOTBALL AUSTRALIA INCORPORATED

STATEMENT BY MEMBERS OF THE BOARD

In the opinion of the directors the financial report as set out on pages 6 to 24:

1. Presents a true and fair view of the financial position of Touch Football Australia Incorporated as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.

2. At the date of this statement, there are reasonable grounds to believe that Touch Football Australia Incorporated will be able to pay its debts as and when they fall due.

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

Chairman

Chief Executive Officer

Dated this 26th day of September 2011

TOUCH FOOTBALL AUSTRALIA INCORPORATED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Retained Earnings $	Asset Revaluation Reserve $	State Equity Movements $	Total $
Balance at 30 June 2009	1,287,972	882,950	5,701	2,176,623
Asset revaluation – Land & Building	-	483,012	-	483,012
Profit attributable to the members	252,766	-	-	252,766
Balance at 30 June 2010	1,540,738	1,365,962	5,701	2,912,401
State equity movements	-	-	215,468	215,468
Profit attributable to the members	303,047	-	-	303,047
Balance at 30 June 2011	**1,843,785**	**1,365,962**	**221,169**	**3,430,916**

TOUCH FOOTBALL AUSTRALIA INCORPORATED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		7,534,198	5,852,359
Interest received		19,918	57
Payments to suppliers and employees		(7,472,646)	(5,659,895)
Interest paid		(391)	(1,872)
Net GST Remitted		(38,456)	(89,729)
Net cash provided by operating activities	19	42,623	100,920
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from the sale of property, plant & equipment		2,601	-
Purchase of property, plant & equipment		(98,098)	(185,463)
Net cash (used in) investing activities		(95,497)	(185,463)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(18,198)	(12,655)
Capital paid - States		215,468	-
Net cash provided by/ (used in) financing activities		197,270	(12,655)
Net increase/(decrease) in cash held		144,396	(97,198)
Cash at beginning of the financial year		680,155	777,353
Cash at end of the financial year	5	**824,551**	**680,155**

TOUCH FOOTBALL AUSTRALIA INCORPORATED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Revenue	2	7,512,654	6,036,853
Less expenditure:			
Human Resources		2,307,137	2,017,488
Corporate Development		124,807	118,437
Sport Management		1,085,592	1,080,973
Sport Development		991,253	699,229
Sport Operations		1,064,004	1,040,817
High Performance		827,098	181,233
Business Operations		488,591	502,743
Property and Information Technology		321,126	143,167
Profit from Operations		**303,047**	**252,766**
Other comprehensive income			
Revaluation increments		-	483,012
State equity movements		215,468	-
Total other comprehensive income		215,468	483,012
Total comprehensive income attributable to the members of the association		**518,515**	**735,778**

The accompanying notes form part of these financial report.

TOUCH FOOTBALL AUSTRALIA INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011	2010 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	824,551	680,155
Trade and other receivables	6	959,156	877,908
Inventories	7	258,146	235,922
TOTAL CURRENT ASSETS		2,041,853	1,793,985
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,002,606	1,989,616
TOTAL NON-CURRENT ASSETS		2,002,606	1,989,616
TOTAL ASSETS		4,044,459	3,783,601
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	298,146	408,982
Borrowings	10	-	14,527
Income in advance	11	50,091	158,420
Employee benefits	12	233,716	244,319
TOTAL CURRENT LIABILITIES		581,953	826,248
NON-CURRENT LIABILITIES			
Borrowings	10	-	3,671
Employee benefits	12	31,590	41,281
TOTAL NON-CURRENT LIABILITIES		31,590	44,952
TOTAL LIABILITIES		613,543	871,200
NET ASSETS		3,430,916	2,912,401
EQUITY			
Reserves		1,365,962	1,365,962
Net State Equity		221,169	5,701
Retained earnings		1,843,785	1,540,738
TOTAL EQUITY		3,430,916	2,912,401

The accompanying notes form part of these financial report.

TOUCH FOOTBALL AUSTRALIA INCORPORATED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

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TOUCH FOOTBALL AUSTRALIA INCORPORATED

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FOR THE YEAR ENDED 30 JUNE 2011

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Cash at beginning of the financial year		680,155	777,353
Cash at end of the financial year	5	**824,551**	**680,155**

The accompanying notes form part of these financial report.

NOTE 1 – Statement of Significant Accounting Policies

The financial report covers Touch Football Australia Incorporated (the Association) as an individual entity. The Association is an association incorporated in the Australian Capital Territory under the *Associations Incorporation Act 1991(ACT).*

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Associations Incorporation Act of 1991 (ACT).*

The financial statement of the Association complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of material accounting policies adopted by the association and the consolidated entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The financial statements has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied. The accounting policies have been applied consistently.

Accounting Policies

Touch Football Australia Inc has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

The financial statements have been prepared on the basis of the accounting policies set out below. The accounting policies adopted are consistent with those of the previous year unless otherwise specified.

a) Income Tax

The Association is exempt from income tax under the provisions of Section 50-5 of the *Income Tax Assessment Act 1997*.

b) Inventories

Inventories consist of clothing, publications and videos and are measured at the lower of cost and net realisable value.

NOTE 1 – Statement of Significant Accounting Policies (continued)

c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

The carrying amount of plant and equipment is reviewed annually by the Association to determine whether there is an indication of impairment. If any such indication exists, the assets recoverable amount is estimated. The recoverable amount is the greater of fair value less costs to sell and value in use. Value in use means the 'depreciated replacement cost' of an asset when the future economic benefits of the asset are not primarily dependant on the assets ability to generate net cash inflows and where the entity would if deprived of the asset, replace its remaining future economic benefits.

Depreciated replacement cost is defined as the current replacement cost of an asset less where applicable, accumulated depreciation calculated on the basis of such costs to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost of which the gross future economic benefits of that asset could currently be obtained in normal course of business.

The cost of fixed assets constructed within the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Competition infrastructure (lighting, mobile grandstand/seating) is depreciated on a straight line basis over ten years.

The depreciation and amortisation rates used for each class of depreciable assets are:

Class of asset	***Depreciation rate***
Buildings	2.5%
Fixtures & Fittings	15%
Plant & Office Equipment	15% – 33.33%
Software and computing	15% – 33.33%
Competition Infrastructure	10% (Straight line)

NOTE 1 – Statement of Significant Accounting Policies (continued)

e) Financial Instruments (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit of loss.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(i) the amount at which the financial asset or financial liability is measured at initial recognition;

(ii) less principal repayments;

(iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and

(iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

NOTE 1 – Statement of Significant Accounting Policies (continued)

e) Financial Instruments (continued)

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit and loss.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

f) Impairment of Assets

At each reporting date, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 1 – Statement of Significant Accounting Policies (continued)

g) Employee Benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

(ii) Long-term service benefits

The Association's net obligation in respect of long-term service benefits, other than defined benefit superannuation funds, is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Association's obligations.

(iii) Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Association expects to pay as at reporting date,

including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating monetary and non-monetary benefits, such as medical care, sick leave, housing, cars and free or subsidised goods and services, are expensed based on net marginal cost to the Association as the benefits are taken by the employees.

h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

i) Revenue

Goods sold and services rendered

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

TOUCH FOOTBALL AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1 – Statement of Significant Accounting Policies (continued)

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l) Income in Advance and Prepaid Expenditure

Affiliation revenue is recognised based on competition commencement dates. Where a competition commences in 'Season 1', which runs from 1 January to 30 June or where a competition commences in 'Season 2', which runs 1 July to 31 December, affiliation revenue is invoiced and recognised in the relevant financial year. This policy has been conservatively applied for a number of years. In the reporting year a more consistent treatment has been applied. Grants received from government relating to calendar years are apportioned evenly over the financial year to which they relate.

m) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Any rounding is in whole dollar presentation. From 2008/09 the presentation and format of the financial statements have been aligned with the TFA strategic plan and reporting of activities.

n) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

NOTE 1 – Statement of Significant Accounting Policies (continued)

n) Critical accounting estimates and judgements (continued)

Key Estimates – Impairment

The Association assesses impairment at each reporting date by evaluating conditions specific to the asset class that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

o) Treatment of Equity

Prior to 1 July 2008 incurred amounts for the operations of the States of Victoria, West Australia, Tasmania and Northern Territory had been accumulated against State Entities within the ledger structures of the National Office (South Australia was reported as national operations prior 2008). This has been treated as Equity rather than an asset or liability of the National Office. Upon entering the Model the accumulated funds of each State have been offset against any net costs paid by Touch Football Australia, or added to any net contributions made to Touch Football Australia, as disclosed above.

p) New Accounting Standards for Application

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory application dates for reporting periods. The association does not anticipate adoption of any of the above reporting requirements and to have any material effect on the association's financial statements.

	2011 $	2010 $
Note 2 – Revenue		
Operating activities:		
Human Resources	-	8,712
Corporate Development	19,780	5,160
Sport Management	3,581,732	3,213,779
Sport Development	1,405,613	899,121
Sports Operations	1,537,347	1,530,107
High Performance	789,248	224,168
Business Operations	109,727	85,022
Property and Information Technology	69,207	70,784
Total Revenue	7,512,654	6,036,853

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FOR THE YEAR ENDED 30 JUNE 2011

	2011 $	2010 $
Note 3 – Profit		
Profit has been determined after:		
a. Expenses		
Rental expenses on operating lease:		
- minimum lease payments	70,494	56,403
Finance costs	391	1,872
Note 4 – Auditors Remuneration		
Remuneration of the auditor of the association for:		
– Auditing or reviewing the financial statements	25,200	24,000
	25,200	24,000
Note 5 – Cash and Cash Equivalents		
Cash on hand	16,661	2,526
Cash at bank	807,890	677,629
	824,551	680,155

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

	2011 $	2010 $
Cash and cash equivalents	824,551	680,155
Note 6 – Trade and Other Receivables		
CURRENT		
Trade receivables	560,314	693,916
Provision for doubtful debts	(11,200)	(9,625)
Security deposits	2,040	1,309
Prepayments	34,030	64,237
	585,184	749,837
Accrued revenue	275,961	-
Other receivables	98,011	128,071
	959,156	877,908

	2011 $	2010 $
Note 7 – Inventories		
CURRENT		
Merchandising stock, at cost	258,146	235,922

	2011 $	2010 $
Leasehold buildings – at valuation (re-valued at 30 June 2010 as Strata Title)	1,680,000	1,680,000
Accumulated depreciation – Leasehold buildings	42,000	-
Total leasehold land and buildings (Strata Title)	1,638,000	1,680,000
Fixtures & fittings – at cost	104,061	103,701
Accumulated depreciation	84,690	81,120
	19,371	22,581
Plant & office equipment – at cost	551,983	477,281
Accumulated depreciation	290,396	272,098
	261,587	205,183
Vehicles – at cost	5,234	-
Accumulated depreciation	763	-
	4,471	-
Computers & Software – at cost	132,498	117,295
Accumulated depreciation	83,321	65,443
	49,177	51,852
Intellectual Property - Ellwood Park competition 2010	37,980	37,980
Accumulated amortisation	7,980	7,980
	30,000	30,000
Total Property, Plant and Equipment	2,002,606	1,989,616

Asset Revaluations
The leasehold buildings were independently valued at 30 June 2010 by an independent valuer. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location and recent sales data for similar properties. The valuation resulted in a revaluation increment of $483,012 being recognised in the revaluation surplus for the year ended 30 June 2010

Note 8 – Property, Plant and Equipment (Continued)

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Leasehold Land & Buildings $	Fixtures & Fittings $	Plant & Office Equipment $	Software $	Intellectual Property $	Vehicle $	TOTAL $
Balance at 1 July 2010	1,680,000	22,581	205,183	51,852	30,000	-	1,989,616
Additions	-	360	77,303	15,201	-	5,234	98,098
Revaluations	-	-	-	-	-		-
Disposals	-	-	(2,601)	-	-		(2,601)
Depreciation expense	(42,000)	(3,570)	(18,298)	(17,876)	-	(763)	(82,507)
Balance at the end of year 30 June 2011	**1,638,000**	**19,371**	**261,587**	**49,176**	**30,000**	**4,471**	**2,002,606**

	2011 $	2010 $
Note 9 – Trade and other payables		
CURRENT		
Trade creditors	194,409	288,160
National squad bond	-	14,700
NTL permit holder bond	15,000	15,000
Sundry creditors	88,737	91,122
	298,146	408,982
Note 10 – Borrowings		
CURRENT		
Lease liability	-	14,527
NON-CURRENT		
Lease liability	-	3,671

	2011 $	2010 $
Note 11 – Income in Advance		
Prepaid income – general	50,091	158,420
	50,091	158,420
Note 12 – Employee Benefits		
Analysis of Employee Benefits		
Current annual leave	188,889	187,732
Current long service leave	44,827	56,587
	233,716	244,319
Non-current long service leave	31,590	41,281
	265,306	285,600
Note 13 – Leasing Commitments		
(a). Finance Lease Commitments		
Payable – Minimum Lease Payments		
– no later than 1 year	-	14,527
– later the 1 year but not later than 5 years	-	4,635
	-	19,162
Minimum lease payments		
Less future finance charges	-	(964)
Present value of minimum lease payments	-	18,198

The finance lease is for computer equipment. The equipment lease commenced in 2006 and is a 5 year lease. The leases are effectively secured by the property subject to the lease.

	2011 $	2010 $
(b) Operating Lease Commitments		
Being for rent of office Payable		
- not later than 1 year	62,817	56,662
- later than 1 year but not later than 5 years	62,216	84,682
	125,033	141,344

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Note 13 – Leasing Commitments (continued)

These commitments represent rent payable monthly in advance in respect of three non-cancellable property leases. One lease agreements has a 5 year term, with an option to renew for a further 6 years. This lease agreement requires minimum lease payments to be increased annually by CPI. The second lease agreement has a 1 year term, with an option to renew for a further 3 years. This lease agreement requires minimum lease payments to be increased by 5% per annum. A third lease agreement is for an annual arrangement in WA Sports Lotteries House.

Note 14 - Reserves

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

State Equity Movements

The state equity movements reserve consists of funds allocated from the state bodies on amalgamation into the Association.

Note 15 – Contingent Liabilities and Contingent Assets

As at balance date the Association has no contingency that will or may affect the reported assets and liabilities of the Association.

Note 16 – Events after the Balance Sheet Date

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

Note 17 – Related Party Transactions

The names of the Members of the Board of Touch Football Australia during the financial year are outlined below.

No Board member receives either directly or indirectly any fees, salaries or bonuses. However, the following honorariums were due to be paid during the financial year:

Michael Rush	Chairman	$6,018
Jane Russo	Director	$4,012
Jim Yeo	Director	$4,012
Graham Quinlivan	Director	$2,006
Hamish McLean	Director	$2,006

Note 18 – Segment Reporting

The Association operates solely in the sports administration industry and its revenue is predominantly derived from operations associated with that source. The Association operates in Australia and is therefore one geographical area for reporting purposes.

Note 19 – Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2011 $	2010 $
Financial assets		
Cash and cash equivalents	824,551	680,155
Loans and receivables	585,184	749,837
Total financial assets	1,409,735	1,429,992
Financial liabilities		
Financial liabilities at amortised cost:		
– trade and other payables	298,146	408,982
– borrowings	-	18,198
Total financial liabilities	298,146	427,180

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Note 20 Key Management Personnel

	Short Term Benefits $	Long Term Employment Benefits $	Total $
2011			
Total compensation	286,460	31,315	317,775
2010			
Total compensation	273,138	37,075	310,213

Note 21 – Association Details

The principal place of business and registered office of the Association is:

Touch Football Australia Incorporated
18 Napier Close
DEAKIN ACT 2600

End of Report

Touch Football Australia
Suite 1/18 Napier Close, Deakin ACT 2600
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