

**SOCCER AUSTRALIA LIMITED****DIRECTORS' REPORT**

The Directors present their report together with the accounts of Soccer Australia Limited and the consolidated accounts of the economic entity, being the Company and its controlled entities, for the year ended 30TH SEPTEMBER, 1997 and the Directors' report thereon.

DIRECTORS

The names and qualifications of the Directors of the Company in office at the date of this report are:

DAVID HILL AAYOIC

Chairman

Age 51

Chairman of Sydney Water

Former Chairman of the Australian Broadcasting Corporation

Former Managing Director of the Australian Broadcasting Corporation

Former Chief Executive Officer of the State Rail Authority of N.S.W.

BASIL SCARSELLA B.EC, CPA.

Deputy Chairman

Age 42

Former Deputy Chairman of South Australian Soccer Federation

Player Life Member Cambelltown City Soccer Club

CAV. DON DI FABRIZIO OAM.

Director

Age 64

Director of Di Frabro Group of Companies

Trustee of the Victorian Soccer Federation

Life Member of the Victorian Soccer Federation

Former Director of the Victorian Soccer Federation

Patron of Morwell Falcons Soccer Club

Life Member and former President of Morwell Falcons Soccer Club

GEORGE NEGUS

Director

Age 55

Director Never Never Holdings

Director Negus Media International

Presenter 'Foreign Correspondent' ABC Television

Member Order of Australia Council

Life Member Taringa Rovers Soccer Football Club

President Bellingen Junior Soccer Club

Soccer Australia Delegate 1995 FIFA 'Football of the Future' Symposium

Member of the Australian UN 50th Anniversary Committee

**SOCCER AUSTRALIA LIMITED****DIRECTORS' REPORT****SUE BAKER FINCH**

Director
Age 44
Member of Project 2000
Member of Australia Abroad Council

FREDERICK LENZI

Director
Age 46
Life Member of Adelaide City Soccer Club
Former Chairman of Adelaide City Soccer Club
Life Vice President of the South Australian Italian Association
Former Committee Member of 1st Division Management Committee
of the South Australian Soccer Federation

WALLACE JOHN DANN FCPA

Director
Age 57
President of the Queensland Soccer Federation Ltd
Life Member of the Queensland Soccer Federation Ltd
Life Member and former President of the Grange Thistle Soccer Club
Head of Delegation for Australia at the 1995 and 1997
FIFA Coca-Cola World Youth Championships

DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	No. of Meetings attended	No. of Meetings Held
Mr. D. Hill	10	12
Mr. B. Scarsella	9	12
Mr. D. Di Fibrizio	12	12
Mr. G. Negus	7	11
Ms. S. Baker Finch	12	12
Mr. P. Gray	7	7
Mr. F. Lenzi	10	12
Mr. W. Dann	5	5

**SOCCER AUSTRALIA LIMITED****DIRECTORS' REPORT****PRINCIPAL ACTIVITIES**

The principal continuing activities of the Company in the course of the financial year were the fostering and control of the game of association football in the Commonwealth of Australia. No significant change in the nature of these activities occurred during the year.

RESULTS

The consolidated profit (loss) for the year attributable to the members of Soccer Australia Limited was (\$2,439,689) (1996 profit \$35,556).

DIVIDEND

In accordance with the Company's Memorandum and Articles of Association no dividend shall be paid and no dividend has been paid during the financial year.

REVIEW OF OPERATIONS

The 1997 financial year saw the Company incur considerable expenditure in relation to the Socceroo's World Cup preparation and the U/17's and U/20's World Championships. The Ericsson Cup division of the Company operated at a loss of \$385,379 for the financial year which resulted in a grant from the Soccer Australia division of \$411,680. Included in the Ericsson Cup divisional result were unforeseen legal costs of \$252,647.

**STATE OF AFFAIRS**

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report and the accounts.

EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year end, the senior national team embarked on its final qualifying matches for a position in the 1998 World Cup to be held in France. Whilst the result on the field was not in the Company's favour, the return leg of the qualifier held at the MCG, Victoria was viewed by a capacity crowd of over 85,000. Gate takings and additional sponsorship for this match totalled over \$3.4 million, resulting in a net return to the Company in excess of \$2 million. The costs of the Tehran match resulted in a net return for the qualifying round of \$1.5 million.

This event has no effect on the financial statements for 1997, but is expected to result in a return to positive members' funds in the 1998 year.

Other than the above, no matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report or in the consolidated financial statements, that has significantly affected, or may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

**SOCCER AUSTRALIA LIMITED****DIRECTORS' REPORT****LIKELY DEVELOPMENTS**

The coming year will see an increase in the Olympic Squad's preparation including matches against the Brazilians. The Under 17 and Under 20's teams will also embark on their initial qualifying matches for the World Championships in 1999.

The admission of the privately owned Northern Spirit to the Ericsson Cup competition in the 1998/99 season is expected to add a new dimension in community awareness of the strengthening league.

The conclusion of the existing television and Pay TV contracts during the 1998 year will extend the opportunities for the National League and National Teams exposure on free to air television. Negotiations are currently underway with all free to air carriers including SBS, and the Pay TV networks.

INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITORS

During the financial year, the Company has paid an insurance premium insuring its present officers against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving a lack of good faith and matters referred to in Note 16 of the 1996 financial statements. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

A confidentiality clause exists in the contract with the insurer, which prohibits the Directors publishing details of the cover provided and premiums paid in respect of such cover.

DIRECTORS' BENEFITS

No 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 included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts, or the fixed salary of a full-time employee of the Company or of a related corporation by reason of a contract made by the Company in which he has a substantial financial interest. Further details of relevant transactions are set out in Note 18 to the financial statements.

For and on behalf of the Board in accordance with a resolution of the Directors.

.....
DAVID HILL
CHAIRMAN

.....
BASIL SCARSELLA
DEPUTY CHAIRMAN

Dated: 8th February, 1998

**SOCCER AUSTRALIA LIMITED****STATEMENT BY DIRECTORS**

In the opinion of the Directors -

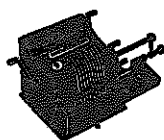
- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the results and cash flows of the Company and the entities that it controls for the financial year ended 30TH SEPTEMBER, 1997 and of the state of affairs as at that date.
- (b) the consolidated accounts have been made out in accordance with Divisions 4A and 4B of Part 3.6 of the Corporations Law;
- (c) there are reasonable grounds to believe that the Company and the entities that it controls will be able to pay its debts as and when they fall due, and
- (d) the financial statements have been made out in accordance with applicable Accounting Standards and Urgent Issues Group Consensus Views.

For and on behalf of the Board in accordance with a resolution of the Directors.

.....
DAVID HILL
CHAIRMAN

.....
BASIL SCARSELLA
DEPUTY CHAIRMAN

Dated: 8th February, 1998



**BILLERWELL
POWERS & SMITH**

Chartered Accountants

SOCCKER AUSTRALIA LIMITED

AUDITORS' REPORT

SCOPE

We have audited the accompanying financial statements of the Soccer Australia Limited for the year ended 30TH SEPTEMBER, 1997.

The Company's Directors are responsible for the preparation and presentation of the financial statements and the information contained therein. We have conducted an independent audit of these accounts in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view of the company which is consistent with our understanding of the Company's financial position and the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion:

the accompanying accounts are properly drawn up in accordance with the provisions of the Corporations Law, applicable Accounting Standards, and other mandatory professional reporting requirements so as to give a true and fair view of:

- (i) the state of affairs of the Company and the economic entity at 30TH SEPTEMBER, 1997 and of the results and cash flows of the Company and the economic entity for the year ended on that date; and
- (ii) the other matters required by Division 4, 4A and 4B of Part 3.6 of that Law to be dealt with in the financial statements.

BILLERWELL, POWERS & SMITH
Chartered Accountants

MELBOURNE: 8th February, 1998

ROSS E. CHAPMAN – Partner

Billerwell Powers & Smith
Level 2 140 Sussex Street Sydney 2000
GPO Box 1442 Sydney 2001
Phone (02) 9299 8728 Fax (02) 9262 1676



Liability is limited
by the Accountants
Scheme


SOCCER AUSTRALIA LIMITED
BALANCE SHEET AS AT 30TH SEPTEMBER 1997


	Note	Consolidated		Company	
		1997 \$	1996 \$	1997 \$	1996 \$
CURRENT ASSETS					
Cash		139,578	537,497	139,576	537,495
Receivables	5	1,225,620	1,892,050	1,225,620	1,892,050
Other	6	131,765	192,327	131,765	192,327
TOTAL CURRENT ASSETS		1,496,963	2,621,874	1,496,961	2,621,872
NON-CURRENT ASSETS					
Investments	7	-	-	2	2
Property, plant and equipment	8	617,086	317,878	617,086	317,878
Other	6	-	1,218	-	1,218
TOTAL NON-CURRENT ASSETS		617,086	319,096	617,088	319,098
TOTAL ASSETS		2,114,049	2,940,970	2,114,049	2,940,970
CURRENT LIABILITIES					
Accounts payable	9	2,140,040	1,333,325	2,140,040	1,333,325
Borrowings	10	828,014	219,904	828,014	219,904
Provisions	11	116,964	91,631	116,964	91,631
Other	12	6,100	182,080	6,100	182,080
TOTAL CURRENT LIABILITIES		3,091,118	1,826,940	3,091,118	1,826,940
NON-CURRENT LIABILITIES					
Borrowings	10	45,796	53,153	45,796	53,153
Provisions	11	5,802	5,055	5,802	5,055
TOTAL NON-CURRENT LIABILITIES		51,598	58,208	51,598	58,208
TOTAL LIABILITIES		3,142,716	1,885,148	3,142,716	1,885,148
NET ASSETS		(1,028,667)	1,055,822	(1,028,667)	1,055,822
MEMBERS' FUNDS					
Reserves	13	355,200	-	355,200	-
Retained profits (Accumulated losses)		(1,383,867)	1,055,822	(1,383,867)	1,055,822
TOTAL MEMBERS' FUNDS		(1,028,667)	1,055,822	(1,028,667)	1,055,822

The balance sheets are to be read in conjunction with the accompanying notes which form part of the accounts.

**SOCCER AUSTRALIA LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

		Consolidated		Company	
	Note	1997 \$	1996 \$	1997 \$	1996 \$
Operating profit (loss) before income tax	2	(2,439,689)	35,556	(2,439,689)	35,556
Income tax attributable to operating profit		-	-	-	-
Operating profit (loss) after income tax		<u>(2,439,689)</u>	<u>35,556</u>	<u>(2,439,689)</u>	<u>35,556</u>
Accumulated profits (losses) at the beginning of the financial year		1,055,822	1,020,266	1,055,822	1,020,266
Total available for appropriation		<u>(1,383,867)</u>	<u>1,055,822</u>	<u>(1,383,867)</u>	<u>1,055,822</u>
Retained profits (accumulated losses) at the end of the financial year		<u>(1,383,867)</u>	<u>1,055,822</u>	<u>(1,383,867)</u>	<u>1,055,822</u>

The profit and loss accounts are to be read in conjunction with the notes to and forming part of the financial statements.


SOCCER AUSTRALIA LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH SEPTEMBER 1997

	Note	Consolidated		Company	
		1997	1996	1997	1996
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from members, sponsors and customers		11,190,892	7,722,091	11,190,892	7,722,091
Interest received		41,927	92,139	41,927	92,139
Payments to suppliers and employees		(12,142,721)	(8,094,321)	(12,142,721)	(8,094,321)
Interest paid		(56,971)	(13,625)	(56,971)	(13,625)
Net cash provided by (used in) operating activities	1	<u>(966,873)</u>	<u>(293,716)</u>	<u>(966,873)</u>	<u>(293,716)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on sale of property, plant & equipment		17,136	26,000	17,136	26,000
Payment for property, plant & equipment		(27,692)	(58,595)	(27,692)	(58,595)
Net cash provided by (used in) investing activities		<u>(10,556)</u>	<u>(32,595)</u>	<u>(10,556)</u>	<u>(32,595)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		56,000	-	56,000	-
Repayments from borrowings		(14,508)	(9,162)	(14,508)	(9,162)
Lease liabilities repaid		(16,704)	(18,819)	(16,704)	(18,819)
Net cash provided by (used in) investing activities		<u>24,788</u>	<u>(27,981)</u>	<u>24,788</u>	<u>(27,981)</u>
Net increase (decrease) in cash held		<u>(952,641)</u>	<u>(354,292)</u>	<u>(952,641)</u>	<u>(354,292)</u>
Cash at beginning of year		350,994	705,286	350,992	705,284
Cash at end of year	2	<u>(601,647)</u>	<u>350,994</u>	<u>(601,649)</u>	<u>350,992</u>

The statements of cash flows are to be read in conjunction with the accompanying notes which form part of the accounts.



SOCCER AUSTRALIA LIMITED

NOTES TO STATEMENT OF CASH FLOWSFOR THE YEAR ENDED 30TH SEPTEMBER 1997

	Consolidated		Company	
	1997	1996	1997	1996
	\$	\$	\$	\$
1. Reconciliation of net cash provided by operating activities to operating profit (loss) after income tax:				
Operating profit (loss) after income tax	(2,439,689)	35,556	(2,439,689)	35,556
(Profit)/Loss on sale of plant & equipment	17,424	(11,843)	17,424	(11,843)
Amortisation of leased assets	17,927	18,319	17,927	18,319
Depreciation	52,440	66,442	52,440	66,442
Decrease (increase) in receivables	666,430	(808,089)	666,430	(808,089)
Decrease (increase) in prepayments	60,562	(183,013)	60,562	(183,013)
Decrease (increase) in other assets	1,218	1,962	1,218	1,962
Increase (decrease) in trade creditors	488,333	98,414	488,333	98,414
Increase (decrease) in other creditors and accruals	318,382	425,437	318,382	425,437
Increase (decrease) in provision for employee entitlements	26,080	8,019	26,080	8,019
Increase (decrease) in income in advance	(171,030)	45,030	(171,030)	45,030
Increase (decrease) in other liabilities	(4,950)	10,050	(4,950)	10,050
Net cash provided by (used in) operating activities	<u>(966,873)</u>	<u>(293,716)</u>	<u>(966,873)</u>	<u>(293,716)</u>

The statements of cash flows are to be read in conjunction with the accompanying notes which form part of the accounts.



SOCCER AUSTRALIA LIMITED

NOTES TO STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997

Consolidated		Company	
1997	1996	1997	1996
\$	\$	\$	\$

2.Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on hand	1,202	1,152	1,200	1,150
Cash at bank	138,376	127,335	138,376	127,335
Deposits at call	-	409,010	-	409,010
Bank overdraft	(741,225)	(186,503)	(741,225)	(186,503)
	<u>(601,647)</u>	<u>350,994</u>	<u>(601,649)</u>	<u>350,992</u>

Bank Overdraft Facility

The economic entity has a bank overdraft facility available to the extent of \$900,000 (1996 \$200,000).

3.Non-cash financing and investing activities

Property, plant & equipment

During the year the economic entity acquired property, plant & equipment with an aggregate fair value of \$32,310 (1996 \$28,909) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

	<u>32,310</u>	<u>28,909</u>	<u>32,310</u>	<u>28,909</u>
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The statements of cash flows are to be read in conjunction with the accompanying notes which form part of the accounts.

**SOCCER AUSTRALIA LIMITED****NOTES TO AND FORMING PART OF THE ACCOUNTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial accounts of the economic entity have been drawn up in accordance with Accounting Standards, Urgent Issues Group Consensus Views and the requirements of the Corporations Law. They have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied.

Set out below is a summary of the significant accounting policies adopted by the economic entity in the preparation of the accounts.

Principles of Consolidation

The consolidated accounts of the economic entity include the accounts of the Company, being the chief entity, and its controlled entities.

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased. The controlled entity included in the consolidated accounts was dormant during the year.

The balances, and effects of transactions, between controlled entities included in the consolidated accounts have been eliminated.

Non-current Assets

The carrying amounts of all non-current assets are reviewed at least annually to determine whether they are in excess of their recoverable amount. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower value. In assessing recoverable amounts the relevant cash flows have not been discounted to their present values.

Leasehold property has been revalued. Such revaluations occur from time to time and are not made in accordance with a policy of regular revaluation.

Depreciation and Amortisation of Non-Current Assets

Depreciation has been charged on fixed assets at rates assessed to match the cost of each of the assets over their estimated economic life.

**SOCCER AUSTRALIA LIMITED****NOTES TO AND FORMING PART OF THE ACCOUNTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997****Income Tax**

No provision has been made for income tax as the economic entity is exempt in accordance with the terms of Section 50-45 of the Income Tax Assessment Act, 1997.

Employee Benefits

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, long service leave and vested sick leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the economic entity's experience with staff departures. Related on-costs have also been included in the liability.

Leased Non-Current Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of non-current assets and operating leases under which the lessor effectively retains all such risks and benefits. Where non-current assets are acquired by means of finance leases, the present value of minimum lease payments is established as an asset at the beginning of the lease term and amortised on a straight line basis over its expected economic life. A corresponding liability is also established and each lease payment is allocated between such liability and interest expense. Operating lease payments are charged to expense in the periods in which they are incurred.

Company Limited By Guarantee

Every member of the Company undertakes in accordance with the Memorandum of Association 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.

**SOCCER AUSTRALIA LIMITED****NOTES TO AND FORMING PART OF THE ACCOUNTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

Note	Consolidated		Company	
	1997	1996	1997	1996
	\$	\$	\$	\$
2. OPERATING PROFIT				
Operating revenue and expenses				
Operating profit (loss) has been arrived at after including:				
Operating revenue				
Other Revenue				
Affiliation fees	670,200	590,200	670,200	590,200
Interest received or due and receivable from:				
Other persons	41,927	92,139	41,927	92,139
Gate takings	1,274,222	1,236,496	1,274,222	1,236,496
National registration fee	406,411	288,779	406,411	288,779
Sponsorship	3,617,955	2,753,672	3,617,955	2,753,672
Television royalties and subsidies	1,349,940	1,061,877	1,349,940	1,061,877
Government grants and subsidies	1,058,188	1,191,443	1,058,188	1,191,443
Pools commission - Australia	47,300	43,147	47,300	43,147
Pools commission - P.P.A.	388,500	388,500	388,500	388,500
Match fee & Signage income	1,277,228	213,160	1,277,228	213,160
Proceeds from sale of non-current assets	17,136	26,000	17,136	26,000
	<u>10,149,007</u>	<u>7,885,413</u>	<u>10,149,007</u>	<u>7,885,413</u>



SOCCKER AUSTRALIA LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997

	Note	Consolidated		Company	
		1997 \$	1996 \$	1997 \$	1996 \$
2. OPERATING PROFIT (CONTINUED)					
Operating expenses					
Interest paid or due and payable to:					
Other persons		47,539	5,006	47,539	5,006
Finance charges on capitalised leases		9,432	8,619	9,432	8,619
		<u>56,971</u>	<u>13,625</u>	<u>56,971</u>	<u>13,625</u>
Non-recoverable trade debts written off to profit and loss account		53,736	-	53,736	-
Amortisation of:					
Leased assets capitalised		17,927	18,319	17,927	18,319
Depreciation of property, plant and equipment		52,440	66,442	52,440	66,442
Amounts set aside to provision for:					
Employee entitlements		26,080	8,020	26,080	8,020
Amounts set aside to provision for:					
doubtful debts		21,952	107,094	21,952	107,094
Loss on sale of property, plant and equipment		17,424	-	17,424	-
3. REMUNERATION OF DIRECTORS					
Directors' Income					
No Directors of the Company or its related entities are remunerated.					
4. AUDITORS' REMUNERATION					
Total amounts received or due and receivable by the auditors of the Company for:					
- Audit of the Federation's accounts		27,500	27,500	27,500	27,500
- Accounting, secretarial, support staff and other services		74,300	69,492	74,300	69,492
		<u>101,800</u>	<u>96,992</u>	<u>101,800</u>	<u>96,992</u>



SOCCER AUSTRALIA LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997

	Note	Consolidated		Company	
		1997 \$	1996 \$	1997 \$	1996 \$
5. RECEIVABLES					
CURRENT					
Trade debtors		446,601	1,278,779	446,601	1,278,779
Provision for doubtful debts		71,952	166,177	71,952	166,177
		<u>374,649</u>	<u>1,112,602</u>	<u>374,649</u>	<u>1,112,602</u>
Other debtors		850,971	779,448	850,971	779,448
		<u>1,225,620</u>	<u>1,892,050</u>	<u>1,225,620</u>	<u>1,892,050</u>
Trade debtors include the following amounts owing by related parties:					
Directors and Director-related entities					
- Directors		<u>-</u>	<u>10,802</u>	<u>-</u>	<u>10,802</u>
Included in trade debtors are debts of \$Nil (1996 \$10,802) owing by former Directors and entities associated with those former Directors.					
6. OTHER ASSETS					
CURRENT					
Prepayments and other		131,765	192,327	131,765	192,327
		<u>131,765</u>	<u>192,327</u>	<u>131,765</u>	<u>192,327</u>
NON-CURRENT					
Unexpired hire purchase interest		-	1,218	-	1,218
		<u>-</u>	<u>1,218</u>	<u>-</u>	<u>1,218</u>


SOCCER AUSTRALIA LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1997

	Note	Consolidated		Company	
		1997 \$	1996 \$	1997 \$	1996 \$
7. INVESTMENTS					
NON-CURRENT					
Shares in controlled entities	15				
Unquoted - at cost		-	-	2	2
		<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
8. PROPERTY, PLANT AND EQUIPMENT					
Leasehold property - at Directors' valuation		355,200	-	355,200	-
Less: Accumulated depreciation		-	-	-	-
		<u>355,200</u>	<u>-</u>	<u>355,200</u>	<u>-</u>
Plant, equipment & motor vehicles - at cost		444,471	507,491	444,471	507,491
Less: Accumulated depreciation		256,459	260,170	256,459	260,170
		<u>188,012</u>	<u>247,321</u>	<u>188,012</u>	<u>247,321</u>
Plant, equipment & motor vehicles under lease		99,882	109,972	99,882	109,972
Less: Accumulated amortisation		26,008	39,415	26,008	39,415
		<u>73,874</u>	<u>70,557</u>	<u>73,874</u>	<u>70,557</u>
Total plant & equipment		<u>261,886</u>	<u>317,878</u>	<u>261,886</u>	<u>317,878</u>
Total property, plant & equipment		<u>617,086</u>	<u>317,878</u>	<u>617,086</u>	<u>317,878</u>

The Company holds a leasehold interest in Unit 2 - The Australian Soccer Federation House, Phipps Close, Deakin, ACT, which was acquired at no cost as a result of its participation in a joint venture development to construct the building.

The Directors' valuation as at 30th September, 1997 of Unit 2 - The Australian Soccer Federation House, Phipps Close, Deakin, ACT is based on an independent current market valuation prepared by Frank P. Brodrick, FVLE (Val) of McCann and Associates on 17th February, 1997 carried out on behalf of the joint venture.

**SOCCER AUSTRALIA LIMITED****NOTES TO AND FORMING PART OF THE ACCOUNTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

	Note	Consolidated		Company	
		1997 \$	1996 \$	1997 \$	1996 \$
9.ACCOUNTS PAYABLE					
CURRENT					
Trade creditors		1,109,285	620,952	1,109,285	620,952
Other creditors and accruals		1,030,755	712,373	1,030,755	712,373
		<u>2,140,040</u>	<u>1,333,325</u>	<u>2,140,040</u>	<u>1,333,325</u>
10.BORROWINGS					
CURRENT					
Bank overdraft - secured	16	741,225	186,503	741,225	186,503
Hire purchase liability		-	9,163	-	9,163
Lease liabilities	14	30,789	24,238	30,789	24,238
Other loans - unsecured		56,000	-	56,000	-
		<u>828,014</u>	<u>219,904</u>	<u>828,014</u>	<u>219,904</u>
The lease liability is secured by a charge over the leased assets.					
NON-CURRENT					
Lease liabilities	14	45,796	47,808	45,796	47,808
Hire purchase liability		-	5,345	-	5,345
		<u>45,796</u>	<u>53,153</u>	<u>45,796</u>	<u>53,153</u>



SOCCER AUSTRALIA LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997

	Consolidated		Company	
	1997	1996	1997	1996
	\$	\$	\$	\$
11. PROVISIONS				
CURRENT				
Employee entitlements - including on costs	116,964	91,631	116,964	91,631
	<u>116,964</u>	<u>91,631</u>	<u>116,964</u>	<u>91,631</u>
NON-CURRENT				
Employee entitlements - including on costs	5,802	5,055	5,802	5,055
	<u>5,802</u>	<u>5,055</u>	<u>5,802</u>	<u>5,055</u>
12. OTHER LIABILITIES				
CURRENT				
Compensation Tribunal Deposits	6,100	11,050	6,100	11,050
Income received in advance	-	171,030	-	171,030
	<u>6,100</u>	<u>182,080</u>	<u>6,100</u>	<u>182,080</u>
13. RESERVES				
Asset Revaluation Reserve	355,200	-	355,200	-
	<u>355,200</u>	<u>-</u>	<u>355,200</u>	<u>-</u>
Movements during the year:				
Balance at beginning of year	-	-	-	-
Add: Directors' valuation of leasehold property	355,200	-	355,200	-
Balance at end of year	<u>355,200</u>	<u>-</u>	<u>355,200</u>	<u>-</u>

**SOCCER AUSTRALIA LIMITED****NOTES TO AND FORMING PART OF THE ACCOUNTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

	Consolidated		Company	
	1997	1996	1997	1996
	\$	\$	\$	\$
14. COMMITMENTS FOR EXPENDITURE				
LEASE RENTAL COMMITMENTS				
Finance lease rentals are payable as follows:				
- not later than one year	37,749	31,797	37,749	31,797
- later than one year but not later than two years	13,309	30,541	13,309	30,541
- later than two years but not later than five years	39,452	24,942	39,452	24,942
	<u>90,510</u>	<u>87,280</u>	<u>90,510</u>	<u>87,280</u>
less amounts provided for in the accounts:				
Current liability	30,789	24,238	30,789	24,238
Non-current liability	45,796	47,808	45,796	47,808
Total lease liability	<u>76,585</u>	<u>72,046</u>	<u>76,585</u>	<u>72,046</u>
Finance lease expenditure not provided for in the accounts	<u>13,925</u>	<u>15,234</u>	<u>13,925</u>	<u>15,234</u>

The Company had entered into an agreement with The Sydney Cricket & Sports Ground Trust to occupy office premises and to utilise The Trust's sporting grounds for consideration based on gate revenue of fixtures staged at The Trust's grounds and the Trust's costs of staging those fixtures.

The original agreement commenced from the date on which the Trust completed the construction of the premises for a period of 15 years with an option for a further term of 10 years.

After negotiations with The Sydney Cricket & Sports Ground Trust the Company has agreed to a rental of \$70,000 per annum commencing 1 January, 1998 to occupy the office premises. Utilisation of the Trust's sporting grounds and facilities is to be based on commercial negotiation for each event.



SOCCER AUSTRALIA LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997

15. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

	Class of share	Interest Held		Amount of Investment		Contribution to Consolidated Profit	
		1997	1996	1997	1996	1997	1996
		%	%	\$	\$	\$	\$
Soccer Australia Limited							
Controlled Entities							
The "A" League Pty. Limited	Ord	100	100	2	2	-	-
						-	-

Consolidated		Company	
1997	1996	1997	1996
\$	\$	\$	\$

16. FINANCING ARRANGEMENTS

The economic entity has access to the following lines of credit:

Total facilities available:

- Bank overdraft	<u>900,000</u>	<u>200,000</u>	<u>900,000</u>	<u>200,000</u>
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Facilities used at balance date:

- Bank overdraft	<u>602,849</u>	<u>59,168</u>	<u>602,849</u>	<u>59,168</u>
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Facilities not utilised at balance date:

-Bank overdraft	<u>297,151</u>	<u>140,832</u>	<u>297,151</u>	<u>140,832</u>
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Bank Overdrafts

The bank overdraft facility of the Company is secured by a first ranking registered mortgage over the Company's leasehold property at Deakin, ACT and a registered mortgage debenture over the Company's other assets.

**SOCCER AUSTRALIA LIMITED****NOTES TO AND FORMING PART OF THE ACCOUNTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997**

Consolidated		Company	
1997	1996	1997	1996
\$	\$	\$	\$

17. CONTINGENT LIABILITIES

The details and estimated maximum amounts of contingent liabilities, classified according to the party from whom the contingent liability arises, are set out below. The directors are not aware of any circumstance or information which would lead them to believe that these liabilities will crystallise and consequently no provisions are included in the accounts in respect of these matters.

In Respect Of The Company

A bank guarantee, secured by the Company's leasehold property interest at Deakin, ACT and a registered mortgage debenture has been established in favour of The Honourable D.G. Stewart for possible defamation actions arising from the Stewart Report.

<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
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The Company has received notice from Sir Arthur George of his intention to recover monies previously reflected in the accounts as an unsecured loan to the Company from ATG (Holdings) Pty. Limited. The claim includes interest on the alleged debt.

The origins of this loan date back prior to 1988.

The Company refutes any claim by Sir Arthur George to these monies, with previous Boards of Commissioners having written back this loan (\$206,025) and a related loan due to the Company from Australian Sports Sponsorship & Promotions Limited (\$243,600) in the 1994 & 1995 accounts. Both amounts included accrued interest.

The Company has at all times contended that a right of offset existed between the ATG (Holdings) Pty. Limited loan and the Australian Sports Sponsorship & Promotions Limited loan as both were arranged by Sir Arthur George during his time as Chairman and immediate past Chairman of the Company.

The Company will defend any action brought by Sir Arthur George and/or parties associated with Sir Arthur George to recover said monies.

**SOCCER AUSTRALIA LIMITED****NOTES TO AND FORMING PART OF THE ACCOUNTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1997****17. CONTINGENT LIABILITIES (CONTINUED)**

The Company entered into a Joint Venture Deed relating to the development of office premises in Canberra. The Company was not obligated to contribute any funds to the development. The Joint Venture entered into a mortgage securing a principal sum of \$2,850,000 which was repaid on 27th June, 1997. The Company had no obligations in relation to security or repayment under the mortgage.

The Company has received an ambit claim in relation to an alleged breach of contract. The Company will be vigorously defending this claim.

The Company was involved in legal action with Croatia Sydney Soccer Football Club Limited as at the 30th September, 1997. Settlement of this action was reached in October, 1997. The terms of the settlement are confidential. The financial effect of the settlement has been included in the 1997 results.

18. RELATED PARTIES**Directors**

The names of each person holding the position of Director of Soccer Australia Limited during the financial year were:

Messrs D. Hill, B. Scarsella, D. Di Fabrizio, G. Negus (resigned June 1997, reappointed July 1997), S Baker Finch, F. Lenzi, P. Gray (resigned June 1997) and W. Dann (appointed June 1997).

Messrs D. Hill and F. Lenzi were Directors of The "A" League Pty. Limited during the financial year.

Details of Directors' remuneration are set out in note 3.

The Company entered into a consultancy agreement with Arkootha Pty. Limited, a company in which Mr D. Hill is Director and shareholder during the 1996 financial year. The contract was renewed in July, 1997 for a term of 12 months and stipulates consultancy fees are not to exceed \$75,000. Consultancy fees of \$50,000 were paid during the 1997 financial year.

The Directors resolved during the course of the 1995 financial year that on some occasions the Company would meet the reasonable costs of partner accompanied travel undertaken for business purposes. No benefit is deemed to have arisen in respect of any partner accompanied travel.

