



Barrett & Partners

Chartered Accountants & Business Advisers

VANUATU FOOTBALL FEDERATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



Barrett & Partners

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VANUATU FOOTBALL FEDERATION

(VFF)

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VANUATU FOOTBALL FEDERATION

EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31ST DECEMBER 2017

1. The Executive Committee present their report together with the audited financial statements of Vanuatu Football Federation for the year ended 31st December 2017.
2. Executive Committee Members in office at the date of this report are as follows:

Lambert Maltock – President	Sakias Boe – 2nd Vice President	Tanearu Maki – Member
Iau Tuan - Senior Vice President	Stanley Jacob – Treasurer	Thomas Tau – Member
Roy Smith – 1 st Vice President	David Bong – Vice Treasurer	
3. Registered office

The Vanuatu Football Federation (VFF) is an association registered in the charitable association in accordance with the Charitable Associations (Incorporation) Act [CAP.140] of the Republic of Vanuatu.

The association's registered office is situated at Felea Tagabe, Box 266, Port Vila, Vanuatu.
4. Principal Activities

Its primary business is to promote the game of football in Vanuatu. Funds for its operations are generated through grants from the International Federation of Association Football (FIFA) and the Oceania Football Confederation (OFC), subscriptions from members, sponsorships and from other internal sources.
5. Result

The Federation incurred a surplus for the year amounting to VT 15,376,544 (2016: Deficit of VT 23,339,046).

Any Surpluses are used in the furtherance of its objectives.
6. Reserves

The Committee has not recommended any appropriations to reserves from retained earnings.
7. Distributions

No distributions are made to members.
8. Property, Plant & Equipment

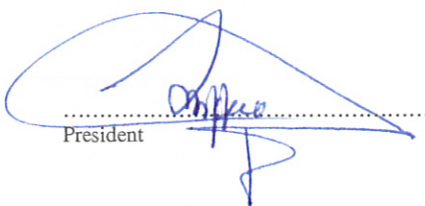
During the year the federation purchased and disposed of at cost VATU NIL and VATU NIL assets respectively (2016 VATU NIL and VATU NIL).
9. Investments

There were no investments purchased during the year.
10. Going concern

The Federation received and will continue to receive financial support for the foreseeable future from grants. In 2017 grants of vt 110 million (2016: vt 71 million) were received to support the association.

Dated at Port Vila this 1st day of August 2018

Signed on behalf of the Executive Committee:


.....
President


.....
Committee Member

VANUATU FOOTBALL FEDERATION

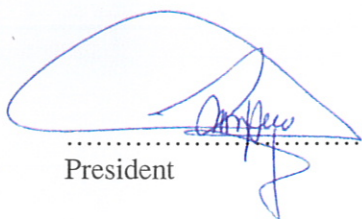
STATEMENT BY THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31ST DECEMBER 2017

In the opinion of the members of the Executive Committee:

- (a) The accompanying Statement of Comprehensive Income is drawn up so as to give a true and fair view of the results of the Federation for the year ended 31st December 2017;
- (b) The accompanying Statement of Changes in Equity and Statement of Financial Position of the Federation is drawn up so as to give a true and fair view of the state of affairs as at 31 December 2017;
- (c) The accompanying Statement of Cash Flows is drawn up so as to give a true and fair view of the cash flows of the Federation for the year ended 31st December 2017;
- (d) At the date of this statement there are reasonable grounds to believe the Federation will be able to pay its debts as and when they fall due; and
- (e) All related party transactions have been adequately recorded in the books of the Federation.

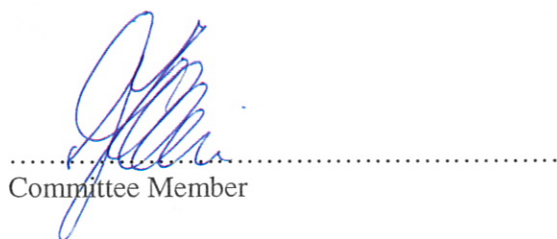
The Executive Committee, on the date of this statement, authorised these financial statements for issue.

Dated at Port Vila this 1st day of August 2018



.....

President



.....

Committee Member



VANUATU FOOTBALL FEDERATION
INDEPENDENT AUDITORS' REPORT
TO MEMBERS OF VANUATU FOOTBALL FEDERATION

Scope

We have audited the financial statements of Vanuatu Football Federation for the financial year ended 31st December 2017 as set out on pages 5 to 14 comprising the Statement of Comprehensive Income, Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows, the Notes to the Financial Statements and the Disclaimer. The Executive Committee are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of Vanuatu Football Federation.

Our audit has been conducted in accordance with International Auditing Guidelines to provide reasonable assurance as to whether the financial statements are free of 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 aspects, the financial statements are presented fairly in accordance with applicable accounting concepts and standards and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and the results of its operations.

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

Audit Opinion

In our opinion:

- (a) The financial statements of Vanuatu Football Federation have been properly drawn up:
 - (i) so as to give a true and fair view of the Vanuatu Football Federation state of affairs as at 31st December 2017 and of its results for the period ended on that date; and
 - (ii) to comply with the regulations of the Charitable Associations (Incorporation) Act [CAP.140] and
 - (iii) in accordance with International Financial Reporting Standards;
- (b) we have been provided with all information and explanations required
- (c) proper accounting records have been kept by the company

Port Vila,

8/8/2018

Barrett & Partners
Chartered Accountants

Qualified auditors under
Section 130 of the
Companies Act No.25 of 2012

VANUATU FOOTBALL FEDERATION

STATEMENT COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2017

		2017	2016
	Notes	VATU	VATU
Income			
Income	2	109,881,915	70,993,171
Other Income	3	6,667,099	21,690,979
Total income		<u>116,549,014</u>	<u>92,684,150</u>
Expenses			
Personnel costs	4	22,842,471	30,605,066
Depreciation and amortization	10	4,515,235	4,563,574
Other expenditure	5	73,814,764	80,854,556
Total expenditure		<u>101,172,470</u>	<u>116,023,196</u>
Surplus/ (Deficit) for the year		<u>15,376,544</u>	<u>- 23,339,046</u>

The above Comprehensive income statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 5 to 14.

VANUATU FOOTBALL FEDERATION

STATEMENT COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2017

	Reserves	Retained Profits	Total
	VATU	VATU	VATU
2017			
Balance b/fwd as at 1st January	17,000,000	39,234,633	56,234,633
Profit/(Loss) for the year	-	15,376,544	15,376,544
Balance c/fwd as at 31st December	<u>17,000,000</u>	<u>54,611,177</u>	<u>71,611,177</u>
2016			
Balance b/fwd as at 1st January	17,000,000	62,573,679	79,573,679
Profit/(Loss) for the year	-	- 23,339,046	- 23,339,046
Balance c/fwd as at 31st December	<u>17,000,000</u>	<u>39,234,633</u>	<u>56,234,633</u>

The above Changes in Equity statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 5 to 14

VANUATU FOOTBALL FEDERATION
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2017

		2017	2016
	Notes	VATU	VATU
Current assets			
Cash and cash equivalents	6	8,247,488	8,528,627
Trade & other debtors	7	21,929,468	1,577,196
Total current assets		30,176,956	10,105,823
Non-current assets			
Property, plant and equipment	10	70,973,989	75,489,223
Total non-current assets		70,973,989	75,489,223
Total Assets		101,150,945	85,595,046
Current liabilities			
Trade Creditors & accruals	8	20,711,264	22,738,257
Total current liabilities		20,711,264	22,738,257
Non-current liabilities			
Provision	9	8,828,504	6,622,156
Total non-current liabilities		8,828,504	6,622,156
Total Liabilities		29,539,768	29,360,413
Net Assets		71,611,177	56,234,633
Accumulated funds			
Retained earnings		39,234,633	62,573,679
Current surplus/ (deficit)		15,376,544	23,339,046
Reserves	11	17,000,000	17,000,000
Total Accumulated funds		71,611,177	56,234,633



 President

Dated at Port Vila this 1st August 2018



 Committee Member

The financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 5 to 14.

VANUATU FOOTBALL FEDERATION
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31ST DECEMBER 2017

	Notes	2017 VATU	2016 VATU
Operating activities			
Cash receipts from grants, tournaments, sponsorships		96,195,558	90,160,141
Cash paid to suppliers and employees		- 96,477,881	- 93,883,166
Interest received	3	1,184	164,109
Interest paid		-	101,142
Cash flows provided by operating activities	16	- 281,139	- 3,660,058
Investing activities			
Proceeds from sale of investment		-	2,000,000
Cash flows (used in) investing activities		-	2,000,000
Net increase / (Decrease) in cash		- 281,139	- 1,660,058
Cash at the beginning of the financial year		8,528,627	10,281,072
Effects of exchange rate changes on balance of cash held in foreign currencies		-	92,387
Cash at the end of the financial year	6	8,247,488	8,528,627

The above Cash flow statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 5 to 14.

VANUATU FOOTBALL FEDERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which are adopted in the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated.

(a) Statement of compliance

The financial statements of the company are prepared in accordance with International Financial Reporting Standards (IFRS's and IFRIC interpretations) issued by the International Accounting Standards Board (IASB), interpretations issued by the Standing Interpretations Committee of the IASB and the requirements of the Vanuatu Companies Act No 25 of 2012.

(b) Basis of preparation

The financial statements are presented in Vanuatu Currency (VATU). They are 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 are consistently applied except where there is a change in accounting policy. Where necessary comparative information has been reclassified to achieve consistency in disclosure with current financial year amendments.

(c) Income tax

No provision for income tax is made for the year as the Federation is not subject to any taxation in Vanuatu.

(d) Revenue and capital grants

Revenue comprises income from soccer tournaments organised by the Federation and FIFA and OFC grants. Revenue from FIFA and OFC are recognised on an accrual basis. Revenue from tournaments and Government grants are recognised on a cash basis.

Any capital grant from FIFA for the cost of an asset is recognised in the statement of financial position as deferred income. Amortization of the deferred income is then recognised in the statement of comprehensive income as revenue on a systematic basis over the estimated useful life of the asset.

(e) Property, plant and equipment

Cost

Plant and Equipment are measured on the cost or valuation basis less depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the Executive Committee to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

Depreciation is charged on a straight line basis over the estimated useful lives of the assets. The rates of depreciation used are based on the following:

Class of fixed asset	Depreciation rate
Leasehold land	2.5%
Buildings	1.5%
Office furniture & equipment	10%
Motor vehicles	10%
Plant and Equipment	10%
Academy furniture & Equipment	10%

Assets are depreciated from the date of acquisition, or, in respect of internally constructed assets, from the time an asset is ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Impairment of Assets

At each reporting date, the Executive Committee reviews the carrying values of 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 Statement of Comprehensive Income.

VANUATU FOOTBALL FEDERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

(g) Foreign currency Transactions and Balances

Foreign currency transactions are translated to Vatu at the rates of exchange ruling at the dates of the transactions. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary and non-monetary items are recognised in the income statement.

(h) Employee Benefits

Provision is made for the Federation's liability for employee benefits arising from services rendered by employees to balance date.

Entitlements to Annual Leave are fully provided for at current rates of pay.

Severance Pay is provided for on a pro rata basis after completion of one year's service based on current pay rate. The term of payment of severance pay is not determinable. In the normal course of business it would be expected that the majority of the employees provided for would remain with the Federation in excess of 12 months. Accordingly, the provision for severance pay has been included in the accounts as a non-current liability.

(i) Provisions

Provisions are recognised when the Federation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(k) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Critical Accounting Estimates and Judgments

The Executive Committee evaluates estimates and judgments incorporated into the financial report 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 Federation.

Key estimates – Impairment

The Executive Committee assesses impairment at each reporting date by evaluating conditions specific to the entity 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.

VANUATU FOOTBALL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017 VATU	2016 VATU
2. INCOME		
FIFA FORWARD Grant	61,456,533	-
FIFA FAP Grant	-	38,531,533
FIFA Other Grant	31,064,286	15,297,650
OFC FAP	11,152,336	8,929,645
Just Play Funds	6,208,760	8,234,343
	<u>109,881,915</u>	<u>70,993,171</u>
	2017 VATU	2016 VATU
3. OTHER REVENUE		
Sponsorship	1,216,719	6,665,000
Membership	400,000	400,000
Government contribution	2,500,000	-
Tournament income	1,177,949	9,092,608
Gym Sales proceeds	-	1,999,900
Other income	1,371,247	2,910,255
Interest income	1,184	164,109
Sundry Income	-	459,107
	<u>6,667,099</u>	<u>21,690,979</u>
	2017 VATU	2016 VATU
4. PERSONNEL COSTS		
Salaries and wages	18,344,267	26,341,703
Staff Entitlements	1,875,347	1,643,052
Provident fund contributions	2,622,857	2,620,311
	<u>22,842,471</u>	<u>30,605,066</u>
	2017 VATU	2016 VATU
5. OTHER EXPENDITURE		
Other expenditure includes the following		
Audit fee	1,535,500	2,876,188
Congress & Executive expenses	4,469,463	5,576,415
Just play program expenses	5,950,399	3,707,503
Utility costs	3,436,007	4,363,724
Tournament expenses	40,242,680	32,485,974
Provision of doubtful debt	788,878	-

VANUATU FOOTBALL FEDERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017 VATU	2016 VATU				
6. CASH AND EQUIVALENTS						
FIFA Funds	5,851,376	6,963,538				
OFC Funds	505,924	234,886				
Other Funds	1,890,188	1,330,203				
Cash at bank	<u>8,247,488</u>	<u>8,528,627</u>				
	2017 VATU	2016 VATU				
7. TRADE AND OTHER DEBTORS						
FIFA debtors	21,289,468	-				
Other debtors	1,428,878	1,148,878				
Provision for doubtful debt	-	-				
Prepayments	-	428,318				
	<u>21,929,468</u>	<u>1,577,196</u>				
	2017 VATU	2016 VATU				
8. TRADE CREDITORS AND ACCRUALS						
Trade payables	9,959,667	11,032,161				
Other accruals	10,751,597	11,706,096				
	<u>20,711,264</u>	<u>22,738,257</u>				
	2017 VATU	2016 VATU				
9. PROVISIONS						
Annual leave	451,000	-				
Severance employee entitlement	8,377,504	6,622,156				
	<u>8,828,504</u>	<u>6,622,156</u>				
10. PROPERTY PLANT AND EQUIPMENT						
	Leasehold Land & buildings VATU	Plant & Equipment VATU	Furniture & Fittings VATU	Motor Vehicle VATU	Academy furniture & fitting VATU	Total VATU
Cost						
Balance at 1 jan 2017	79,214,600	1,222,467	7,359,789	21,724,776	1,241,893	110,763,525
Acquisitions						
Balance at 31 Dec 2017	<u>79,214,600</u>	<u>1,222,467</u>	<u>7,359,789</u>	<u>21,724,776</u>	<u>1,241,893</u>	<u>110,763,525</u>
Balance at 1 jan 2016	79,214,600	1,222,467	7,359,789	21,724,776	1,241,893	110,763,525
Acquisitions	-	-	-	-	-	-
Balance at 31 Dec 2016	<u>79,214,600</u>	<u>1,222,467</u>	<u>7,359,789</u>	<u>21,724,776</u>	<u>1,241,893</u>	<u>110,763,525</u>

VANUATU FOOTBALL FEDERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

10. PROPERTY PLANT AND EQUIPMENT (Continued)

	Leasehold Land & buildings VATU	Plant & Equipment VATU	Furniture & Fittings VATU	Motor Vehicle VATU	Academy furniture & fitting VATU	Total VATU
Accumulated Depreciation						
Balance at 1 jan 2017	16,808,051	661,265	5,895,068	10,965,298	944,619	35,274,301
Depreciation charge	1,772,219	122,247	474,102	2,022,478	124,189	4,515,235
Balance at 31 Dec 2017	18,580,270	783,512	6,369,170	12,987,776	1,068,808	39,789,536
Balance at 1 jan 2016	15,030,177	538,683	5,384,499	8,937,280	820,089	30,710,728
Depreciation charge	1,777,874	122,582	510,569	2,028,018	124,530	4,563,573
Balance at 31 Dec 2016	16,808,051	661,265	5,895,068	10,965,298	944,619	35,274,301
Carrying amount						
At 31 Dec 2017	60,634,330	438,955	990,619	8,737,000	173,085	70,973,989
At 31 Dec 2016	62,406,549	561,202	1,464,721	10,759,478	297,274	75,489,224

	2017 VATU	2016 VATU
11. RESERVES		
Asset Revaluation Reserve	17,000,000	17,000,000

In June 2007, a valuation was conducted on the property owned by Vanuatu Football Federation (VFF House Title # 11/OF21/003). An amount of VT 17,000,000 was transferred to an asset revaluation reserve to recognize the valuation amount.

12. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Identity of related party

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director whether exclusive or otherwise of that entity. During the financial year the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Federation.

Lambert Maltock – President
 Albert Manaroto – Chief Executive Officer
 Iau Tuan - Senior Vice President
 Roy Smith – 1st Vice President
 Sakias Boe – 2nd Vice President
 Stanley Jacob – Treasurer
 David Bong – Vice Treasurer
 Tane Maki – Member
 Thomas Tau – Member

During the year, compensation of Executive Management was as follows:

	2017 VATU	2016 VATU
Short term remuneration		
Key management personnel	4,200,960	4,176,000

13. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Federation has no contingent liabilities or capital commitments as at balance date.

14. SUBSEQUENT EVENTS

No events have occurred since the balance sheet date which would require any adjustment to, or disclosure in, the financial statements.

VANUATU FOOTBALL FEDERATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

15. FINANCIAL RISK MANAGEMENT POLICIES

The Federation's financial instruments consist mainly trade debtors and creditors.

The Executive Committee's overall risk management strategy seeks to assist the Federation in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Executive Committee on a regular basis. These include the credit risk policies and future cash flow requirements.

The Federation does not have any derivative instruments at 31 December 2017.

The main risks the Federation is exposed to through its financial instruments are liquidity risk, foreign currency risk and credit risk.

I. Interest rate risks

The Federation is not exposed to fluctuations in interest rates.

II. Foreign currency risk

The Federation incurs foreign currency risk on debtors and creditors that are denominated in a currency other than Vatu. The currencies giving rise to this risk are primarily United States and New Zealand dollars.

III. Liquidity risk

The Federation manages liquidity risk by monitoring forecasted cash flows.

IV. Credit risk

The maximum exposure to credit risk, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Federation does not require collateral in respect of its financial assets.

The Federation does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Federation. Credit risk is reviewed regularly by the Executive Committee.

16. CASH FLOW FROM OPERATING ACTIVITIES

	2017		2016
	VATU		VATU
Operating Surplus/(Deficit)	15,376,544	-	23,339,046
Add/(less) cash items			
Provision	2,206,347		324,616
Depreciation	4,515,235		4,563,574
Other	-	-	2,071,623
	<u>22,098,126</u>	-	<u>20,522,479</u>
Add/(less) movement in working capital			
Payables	-		5,350,782
Receivables	- 1,072,493		358,566
Accrued liabilities	- 20,352,272	-	11,706,096
	<u>- 954,500</u>		<u>16,698,312</u>
	- 22,379,265		
Net Cash Flow from operating activities	<u>- 281,139</u>	-	<u>3,824,167</u>