



Barrett & Partners

Chartered Accountants & Business Advisers

VANUATU FOOTBALL FEDERATION

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



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 2019

1. The Executive Committee present their report together with the audited financial statements of Vanuatu Football Federation for the year ended 31st December 2019.

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 as a 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 VFF House , 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 5,216,397 (2018: Deficit of VT 6,181,088).

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 8,771,739 and VATU NIL assets respectively (2018 VATU 850,000 and VATU NIL). Purchases relating to the new stadium total of VATU 23,449,323 (2018 VATU 880,130)

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 2019 grants of VT 167 million (2018: VT 89 million) was received to support the association.

Dated at Port Vila this 26th day of June 2020

Signed on behalf of the Executive Committee:


.....
President


.....
Committee Member

VANUATU FOOTBALL FEDERATION

**STATEMENT BY THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31ST DECEMBER 2019**

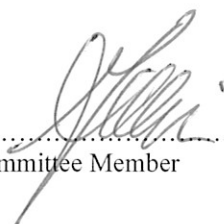
In the opinion of the members of the Executive Committee:

- (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 2019;
- (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 31st December 2019;
- (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 2019;
- (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 26th day of June 2020


.....
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 2019 as set out on pages 5 to 15 comprising the Statement of Comprehensive Income, Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows, and the Notes to the Financial Statements. 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 2019 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

Mark Stafford FCA
Engagement Partner

Port Vila, 26/6/2020

Barrett & Partners
Chartered Accountants

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

VANUATU FOOTBALL FEDERATION
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER 2019

		2019	2018
	Notes	VATU	VATU
Income			
Income	2	170,218,343	88,794,881
Other Income	3	2,730,502	6,732,734
Total income		<u>172,948,845</u>	<u>95,527,615</u>
Expenses			
Personnel costs	4	27,431,623	22,567,327
Depreciation and amortization	10	5,524,680	4,409,604
Other expenditure	5	134,776,146	74,731,772
Total expenditure		<u>167,732,448</u>	<u>101,708,703</u>
Surplus/ (Deficit) for the year		<u><u>5,216,397</u></u>	<u><u>(6,181,088)</u></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 9 to 15.


VANUATU FOOTBALL FEDERATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2019

	Reserves	Retained	Total
	VATU	Earnings	VATU
		VATU	
2019			
Balance b/fwd as at 1st January 2019	47,000,000	48,430,089	95,430,089
Revaluation	0	0	0
Surplus/(Deficit) for the year	0	5,216,397	5,216,397
Balance c/fwd as at 31st December 2019	<u>47,000,000</u>	<u>53,646,486</u>	<u>100,646,486</u>
2018			
Balance b/fwd as at 1st January 2018	17,000,000	54,611,177	71,611,177
Revaluation	30,000,000	0	30,000,000
Surplus/(Deficit) for the year	0	(6,181,088)	(6,181,088)
Balance c/fwd as at 31st December 2018	<u>47,000,000</u>	<u>48,430,089</u>	<u>95,430,089</u>

The above Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 15

VANUATU FOOTBALL FEDERATION
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2019

	Notes	2019 VATU	2018 VATU
Current assets			
Cash and cash equivalents	6	2,240,090	14,655,311
Trade & other debtors	7	889,321	817,250
Total current assets		3,129,411	15,472,561
Non-current assets			
Property, plant and equipment	10	124,990,896	98,294,513
Total non-current assets		124,990,896	98,294,513
Total Assets		128,120,307	113,767,074
Current liabilities			
Trade Creditors & accruals	8	21,130,040	13,403,198
Total current liabilities		21,130,040	13,403,198
Non-current liabilities			
Provision	9	6,343,781	4,933,787
Total non-current liabilities		6,343,781	4,933,787
Total Liabilities		27,473,821	18,336,985
Net Assets		100,646,486	95,430,089
Accumulated funds			
Retained earnings		48,430,089	54,611,177
Current surplus/ (deficit)		5,216,397	(6,181,088)
Revaluation Reserves	11	47,000,000	47,000,000
Total Accumulated funds		100,646,486	95,430,089


.....
President

Dated at Port Vila this 26th June 2020


.....
Committee Member

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 15.

VANUATU FOOTBALL FEDERATION

STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31ST DECEMBER 2019

	Notes	2019 VATU	2018 VATU
Operating activities			
Cash receipts from grants, tournaments, sponsorships		161,144,897	116,639,833
Cash paid to suppliers and employees		<u>(141,339,055)</u>	<u>(108,501,880)</u>
Cash flows provided by operating activities	16	<u>19,805,842</u>	<u>8,137,953</u>
Investing activities			
Payment of fixed assets		(8,771,739)	(850,000)
Work In Progress		<u>(23,449,324)</u>	<u>(880,130)</u>
Cash flows (used in) investing activities		<u>(32,221,063)</u>	<u>(1,730,130)</u>
Net increase / (Decrease) in cash		(12,415,221)	6,407,823
Cash at the beginning of the financial year		14,655,311	8,247,488
Cash at the end of the financial year	6	<u>2,240,090</u>	<u>14,655,311</u>

The above Statement of Cash flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 15.

VANUATU FOOTBALL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

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

Vanuatu Football Federation is incorporated under the Charitable Associations Incorporation Act as “Vanuatu Football Federation Committee (Inc)” The financial statements of the organisation 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.

(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.

VANUATU FOOTBALL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

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.

(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.

VANUATU FOOTBALL FEDERATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

(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.

	2019 VATU	2018 VATU
2. INCOME		
FIFA FORWARD Grant	106,684,305	54,736,500
FIFA FAP – Fresh Water Stadium Project	0	11,266,000
FIFA Equipment Solidarity Grant	23,762,894	0
FIFA Other Grant	22,182,000	15,524,181
OFC FAP	8,059,924	0
UEFA Grant	3,127,170	0
Just Play Funds	6,402,050	7,268,200
	<u>170,218,343</u>	<u>88,794,881</u>

	2019 VATU	2018 VATU
3. OTHER REVENUE		
Sponsorship	925,000	2,935,000
Membership	300,000	337,250
Tournament income	845,625	2,314,505
Other income	125,550	976,723
Sundry Income	534,327	169,256
	<u>2,730,502</u>	<u>6,732,734</u>

	2019 VATU	2018 VATU
4. PERSONNEL COSTS		
Salaries and wages	26,072,775	20,776,510
Staff Entitlements	0	369,550
Provident fund contributions	1,358,848	1,421,267
	<u>27,431,623</u>	<u>22,567,327</u>

VANUATU FOOTBALL FEDERATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

5. OTHER EXPENDITURE	2019	2018
	VATU	VATU
Other expenditure includes the following		
Audit fee	1,537,500	1,537,500
Congress & Executive expenses	7,500,139	4,934,425
Just play program expenses	3,352,500	3,719,837
Utility costs	6,523,697	4,534,048
Tournament expenses	53,274,669	48,784,117
Provision for doubtful debt	600,000	0
	2019	2018
	VATU	VATU
6. CASH AND EQUIVALENTS		
FIFA Funds	394,373	11,789,899
OFC Funds	1,096,213	1,631,187
Other Funds	749,504	1,234,225
Cash at bank	<u>2,240,090</u>	<u>14,655,311</u>
	2019	2018
	VATU	VATU
7. TRADE AND OTHER DEBTORS		
Other debtors	1,606,128	1,606,128
Provision for doubtful debt	(1,388,878)	(788,878)
Undeposited Funds	672,071	0
	<u>889,321</u>	<u>817,250</u>
	2019	2018
	VATU	VATU
8. TRADE CREDITORS AND ACCRUALS		
Trade creditors	7,519,628	2,982,688
Other accruals	13,610,412	10,420,510
	<u>21,130,040</u>	<u>13,403,198</u>
	2019	2018
	VATU	VATU
9. PROVISIONS		
Annual leave	489,000	489,000
Severance employee entitlement	5,854,781	4,444,787
	<u>6,343,781</u>	<u>4,933,787</u>

VANUATU FOOTBALL FEDERATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

10. PROPERTY PLANT AND EQUIPMENT

	Leasehold Land & buildings VATU	Plant & Equipment VATU	Furniture & Fittings VATU	Motor Vehicle VATU	Academy furniture & fitting VATU	Total VATU
Revaluation/Cost						
Revaluation	47,000,000	0	0	0	0	47,000,000
Cost at 1 Jan 2018	63,094,730	2,072,467	7,359,789	21,724,776	1,241,893	95,493,655
Acquisitions	23,449,323	0	0	8,771,739	0	32,221,062
Balance at 31 Dec 2019	133,544,053	2,072,467	7,359,789	30,496,515	1,241,893	174,714,717
Revaluation/Cost						
Revaluation	47,000,000	0	0	0	0	47,000,000
Cost at 1 Jan 2018	32,214,600	1,222,467	7,359,789	21,724,776	1,241,893	63,763,525
Revaluation 2018	30,000,000	0	0	0	0	30,000,000
Acquisitions	880,130	850,000	0	0	0	1,730,130
Balance at 31 Dec 2018	110,094,730	2,072,467	7,359,789	21,724,776	1,241,893	142,493,655
Accumulated Depreciation						
Balance at 1 Jan 2019	20,352,489	903,378	6,740,026	15,010,252	1,192,997	44,199,140
Depreciation charge	2,671,760	150,661	232,564	2,421,240	48,455	5,524,680
Balance at 31 Dec 2019	23,024,250	1,054,039	6,972,590	17,431,492	1,241,452	49,723,822
Balance at 1 Jan 2018	18,580,270	783,512	6,369,170	12,987,776	1,068,808	39,789,536
Depreciation charge	1,772,219	119,866	370,850	2,022,478	124,189	4,409,604
Balance at 31 Dec 2018	20,352,489	903,378	6,740,026	15,010,252	1,192,997	44,199,140
Carrying amount						
At 31 Dec 2019	110,519,803	1,018,428	387,199	13,065,023	441	124,990,896
At 31 Dec 2018	89,742,241	1,169,089	619,763	6,714,524	48,896	98,294,513

Acquisitions totalling VT23,449,323 relates to the balance of work in progress in respect of the commencement of the construction of the new stadium.

VANUATU FOOTBALL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	VATU	VATU
11. REVALUATION RESERVES		
Asset Revaluation Reserve	<u>47,000,000</u>	<u>47,000,000</u>

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. The Government transferred Title 11/OG31/252 to the Federation in order to facilitate the new construction of a football stadium. The market value of the land was confirmed at VT30,000,000 by the Members on 25th June 2019 with a view to an independent valuation after the stadium has completed construction.

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:

	2019	2018
	VATU	VATU
Short term remuneration		
Key management personnel	<u>4,200,960</u>	<u>4,200,960</u>

13. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Federation has signed a grant agreement on 2nd June 2018 totalling USD1,950,000 to build a new football stadium in Port Vila to be completed by 2022. The lease is for a nominal rent fee of VT10 per year.

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 2019

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 2019.

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 at a rate of 109.79 and 73.92 respectively.

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

	2019 VATU	2018 VATU
Operating Surplus/(Deficit)	5,216,397	(6,181,088)
Add/(less) cash items		
Provisions	1,409,994	(3,894,716)
Depreciation	5,524,680	4,409,604
	12,151,071	(5,666,200)
Add/(less) movement in working capital		
Payables	4,536,940	(6,976,979)
Receivables	(11,803,948)	21,112,218
Accrued liabilities	14,921,779	(331,086)
	7,654,771	13,804,153
Net Cash Flow from operating activities	19,805,842	8,137,953