

Nigeria Football Federation
Audited financial statements
31 December 2017

Nigeria Football Federation
Financial statements
For the year ended 31 December 2017
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Corporate information

Executive Committee	Mr. Amaju M. Pinnick	-	President
	Barr. Seyi Akinwunmi	-	1st Vice President
	Mr. Shehu Dikko	-	2nd Vice President
	Hon. Suleiman Y. Kwande	-	Member
	Chief Felix Anyansi-Agwu	-	Member
	Otunba Sunday Dele-Ajayi	-	Member *
	Alh. Yusuf Ahmed	-	Member
	Alh. Ibrahim Musa Gusau	-	Member
	Alh. Sharif Rabi Inuwa	-	Member
	Alh. Baba Gana Kali	-	Member
	Barr. Christopher Green	-	Member *
	Ms. Aisha Falode	-	Member
	Alh. Musa Duhu	-	Member
	Alh. Alkali Mohammed	-	Member
	Mr. Chidi Ofo Okenwa	-	Member
	Ganiyu Majekodunmi	-	Member **
	Emmanuel Ibah	-	Member **
	Dr. Mohammed Sanusi	-	General Secretary

* Tenor expired 20 September 2018

** Elected 20 September 2018

Corporate head office
Plot 2033, Olusegun Obasanjo Way
Wuse Zone 7
Abuja, Nigeria

Principal bankers
Central Bank of Nigeria
United Bank for Africa Plc
Zenith Bank Plc
Heritage Bank Plc

Auditors
PricewaterhouseCoopers
Chartered Accountants
Landmark Towers, Plot 5B Water Corporation Road
Victoria Island
Lagos

Nigeria Football Federation
Financial statements
For the year ended 31 December 2017
Report of the Executive Committee

The Executive Committee submit their annual report on the affairs of Nigeria Football Federation ("NFF" or "the Federation") together with the financial statements for the year ended 31 December 2017.

Principal activity

The Federation is an association of a sporting nature established by the NFF Statutes as a body corporate with perpetual succession and common seal. NFF is the Nigerian member association of FIFA ("Fédération Internationale de Football Association") as well as of the continental footballing body, CAF ("Confédération Africaine de Football"). The Federation is thus the recognized body solely responsible for organizing and supervising football activities in all its ramifications in Nigeria.

The registered address of the Federation is Plot 2033, Olusegun Obasanjo Way, Zone 7, Wuse, Abuja.

Results

The Federation's results for the year ended 31 December 2017 are set out on pages 7 to 10. The operating surplus for the year has been transferred to the Accumulated fund. The summarized results are presented below.

	31 December 2017 N'000	31 December 2016 N'000
Revenue	4,667,768	3,491,048
Expenses	(4,376,505)	(3,454,476)
Operating surplus	291,263	36,572

By order of the General Assembly



Dr. Mohammed Sanusi

General Secretary

24 October 2018

Nigeria Football Federation

Financial statements

For the year ended 31 December 2017

Statement of Executive Committee's responsibilities

The Nigeria Football Federation Statutes require the Executive Committee to prepare financial statements for each financial year that give a true and fair view of the state of the financial affairs of the Federation at the end of the year and of its income and expenditure for the year in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the NFF Statutes. The responsibilities include ensuring that the Federation:

- (a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Federation and comply with the requirements of the Nigeria Football Federation statutes;
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The Executive Committee accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Nigeria Football Federation Statutes.

The Executive Committee are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Federation and of its results for the period. The Executive Committee further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Executive Committee to indicate that the Federation will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the General Assembly by:



Amaju M. Pinnick
President
24 October 2018



Dr. Mohammed Sanusi
General Secretary
24 October 2018



Independent auditor's report

To the Members of Nigeria Football Federation Executive Committee

Report on the audit of the financial statements

Our opinion

In our opinion, Nigeria Football Federation's ("the Federation's") financial statements give a true and fair view of the financial position of the Federation as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Nigeria Football Federation Statutes and Financial Reporting Council of Nigeria Act.

What we have audited

Nigeria Football Federation's financial statements comprise:

- the statement of financial position as at 31 December 2017;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Federation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Executive Committee are responsible for the other information. The other information obtained at the date of this auditor's report are *Executive Committee Report, Statement of Executive Committees' Responsibilities, Value Added Statement and Five-Year Financial Summary*, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Executive Committee and those charged with governance for the financial statements

The Executive Committee are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Nigeria Football Federation Statute, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee are responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intend to liquidate the Federation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Federation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Federation to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edefe Erhie

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Edefe Erhie
FRC/2013/ICAN/00000001143



24 October 2018

Nigeria Football Federation

Financial statements

For the year ended 31 December 2017

Statement of profit or loss and other comprehensive income

		31 December 2017 N'000	31 December 2016 N'000
Revenue	Note		
Sporting income	4	667,237	510,998
Sponsorships	5	1,918,463	1,073,325
Subvention	6	2,082,068	1,906,725
		4,667,768	3,491,048
Expenses			
Personnel costs	7	(469,214)	(459,032)
Sporting expenses	8	(2,708,390)	(1,928,762)
Administrative expenses	10	(924,302)	(616,837)
Other expenses	9	(274,599)	(449,845)
		(4,376,505)	(3,454,476)
Operating surplus/(deficit) transferred to accumulated fund		291,263	36,572
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurement (loss)/gain on defined benefit scheme	16	(2,136)	770
Gain on revaluation of land and buildings	18	328,989	-
Other comprehensive income for the year		326,853	770
Total comprehensive income for the year		618,116	37,342

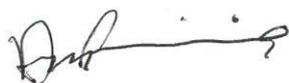
The accompanying notes form an integral part of these financial statements.

Nigeria Football Federation
Financial statements
For the year ended 31 December 2017
Statement of financial position

	Note	31 December 2017 N'000	31 December 2016 N'000
Non-current assets			
Property, plant and equipment	13	755,657	369,501
Receivables	14	17,500	234,851
		<u>773,157</u>	<u>604,352</u>
Current assets			
Inventories	11	133,960	38,299
Receivables	14	226,313	21,995
Cash and cash equivalents	12	627,990	594,767
		<u>988,263</u>	<u>655,061</u>
Total assets		<u>1,761,420</u>	<u>1,259,413</u>
Liabilities			
Non current liabilities			
Retirement benefit obligations	16	45,500	22,656
Accounts payable	15	567,822	602,135
Deferred income	15	299,587	306,314
		<u>912,909</u>	<u>931,105</u>
Current liabilities			
Accounts payable	15	190,731	329,991
Deferred income	15	138,093	96,746
		<u>328,824</u>	<u>426,737</u>
Total liabilities		<u>1,241,733</u>	<u>1,357,842</u>
Equity			
Accumulated fund	17	190,698	(98,429)
Asset revaluation reserve	18	328,989	-
Total equity		<u>519,687</u>	<u>(98,429)</u>
Total equity and liabilities		<u>1,761,420</u>	<u>1,259,413</u>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the General Assembly on 24 October 2018 and signed on its behalf by:

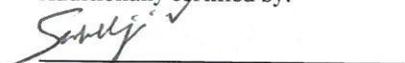


Amaju M. Pinnick
President



Dr. Mohammed Sanusi
General Secretary

Additionally certified by:



Mohammed Salihu Cheku
Director of Finance

Nigeria Football Federation
 Financial statements
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Statement of changes in equity

		Accumulated fund	Asset revaluation reserve	Total equity
	Note	N'000	N'000	N'000
Balance as at 1 January 2017		(98,429)	-	(98,429)
Surplus for the year	17	291,263	-	291,263
Re-measurement loss on defined benefit scheme	16	(2,136)	-	(2,136)
Gain on revaluation of land and buildings	18	-	328,989	328,989
		289,127	328,989	618,116
Balance at 31 December 2017		190,698	328,989	519,687
Balance at 1 January 2016		(135,771)	-	(135,771)
Surplus for the year	17	36,572	-	36,572
Re-measurement gain on defined benefit scheme	16	770	-	770
		37,342	-	37,342
Balance at 31 December 2016		(98,429)	-	(98,429)

The accompanying notes form an integral part of these financial statements.

Nigeria Football Federation
Financial statements
For the year ended 31 December 2017
Statement of cash flows

		31 December 2017 N'000	31 December 2016 N'000
Cash flows from operating activities			
Operating surplus for the year		291,263	36,572
Adjustments for non cash items			
Depreciation	13	25,026	10,078
Provision for doubtful receivables	14	242,850	438,750
Defined benefit expense	16	20,708	14,195
Changes in operating assets and liabilities			
Changes in receivables and other current assets		(229,817)	(328,096)
Changes in inventories		(95,661)	(38,299)
Changes in accounts payable and deferred income		(138,953)	413,284
Net cash inflow from operating activities		115,416	546,484
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(82,193)	(27,548)
Net cash outflow from investing activities		(82,193)	(27,548)
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		33,223	518,936
Cash and cash equivalents as at 1 January		594,767	75,831
Cash and cash equivalents as at 31 December		627,990	594,767

The accompanying notes form an integral part of these financial statements.

Nigeria Football Federation

Financial statements

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Notes to the financial statements

1 General Information

Nigeria Football Federation ("NFF" or "the Federation") was set up by the NFF Statutes as an association of a sporting nature with an unlimited lifespan. Its objectives are to organize and supervise football activities in all its ramifications in Nigeria. The Federation's principal office address is

Plot 2033 Olusegun Obasanjo Way
Wuse Zone 7
Abuja, Nigeria

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The preparation of financial statements, in conformity with generally accepted accounting principles under IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the Executive Committee to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Standards and interpretations effective during the reporting period

Below are the IFRSs and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are effective for the first time for the financial year beginning on or after 1 January 2017 that are relevant to the Federation.

Amendments to IAS 7 - Statement of cash flows

Amends IAS 7 to include disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment specifies that the following changes arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. This amendment has not impact on the Federation.

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(b) Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Federation's financial statements are disclosed below. The Federation intends to adopt these standards, if applicable, when they become effective.

Standard	Effective date	Description or nature of standard/amendment
IFRS 9 Financial Instruments	Annual periods beginning on or after 1 January 2018	<p>IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.</p> <p>The Federation has not early adopted this standard and the standard is not expected to have material effects on the financial statements of the Federation.</p>
IFRS 15 Revenue from Contracts with Customers	Annual periods beginning on or after 1 January 2018	<p>The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.</p> <p>The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer.</p> <p>The standard permits either a full retrospective or a modified retrospective approach for the adoption.</p> <p>The Federation has not early adopted this standard and the standard is not expected to have material effects on the financial statements of the Federation.</p>
IFRS 16 Leases	Annual periods beginning on or after 1 January 2019	<p>Issued in January 2016, IFRS 16 will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. While the accounting for lessors will not significantly change, the new standard requires lessees to recognize lease liabilities and corresponding rights-of-use assets. The only exceptions are short-term and low-value leases.</p> <p>This standard is not expected to have material effects on the Federation's financial statements.</p>

2.2 Foreign currency translation

(i) Functional and presentation currency

The Federation's performance is measured and reported in Nigerian naira as the Executive Committee considers the naira as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in naira, which is the Federation's functional currency.

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2.2 Foreign currency translation - Continued

(ii) Transactions and balances

Foreign currency transactions (i.e. transactions denominated, or that require settlement, in a currency other than the functional currency) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

2.3 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and where applicable borrowing costs. Cost includes the cost of replacing part of an existing property, plant and equipment at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of property, plant and equipment

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

Increases in the carrying amounts arising on revaluation of land and buildings are recognized, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Depreciation of assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows:

Building	2%
Plant & machinery	20%
Furniture & equipment	25%
Motor vehicles	20%
Generator	25%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

2.4 Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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2.5 Financial instruments

(a) Financial assets

The Federation classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Federation's loans and receivables comprise trade and other receivables, and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are carried at amortized cost less any impairment.

Cash and cash equivalents

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

(b) Financial liabilities

Financial liabilities are classified as financial liabilities at amortized cost, as appropriate. Financial liabilities are recognized initially at fair value inclusive of directly attributable transaction costs. The subsequent measurement is at amortized cost

Financial liabilities at amortized cost

These include accounts payable whose initial recognition is at fair value less directly attributable transaction costs. After initial recognition, the liabilities are subsequently measured at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

(c) Derecognition

Financial assets and liabilities are derecognized when the rights to receive cash flows from the investments or settle obligations have expired or have been transferred and the Federation has transferred substantially all risks and rewards of ownership.

2.6 Impairment of financial assets

(a) Assets carried at amortized cost

The Federation assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Federation uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

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2.6 Impairment of financial assets - Continued

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss.

2.7 Cash and cash equivalents

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

2.8 Employee Benefits

(a) Defined contribution scheme

The Federation operates a defined contribution pension plan in accordance with the Pension Reform Act. Under the Contributory scheme, both the employees and the employer contribute to the scheme as permitted by the Act. The Federation's contribution is made by Integrated Payroll and Personnel Information (IPPIS) who maintains the Federation's payroll and makes monthly benefits payment to staff and other organizations such as Pension Funds Administrators. The Federation has no further payment obligations once the contribution has been paid.

(b) Defined benefit scheme

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation. The employer's obligation is calculated periodically by independent actuaries using the projected unit credit method. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the date of the statement of financial position less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yields of Federal Government Bonds of Nigeria as high quality corporate bonds are not available. Remeasurement gains and losses are recognized in full in other comprehensive income when they occur.

2.9 Inventories

IAS 2 states that inventories are to be stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

Inventories in the Federation's books relate mainly to in-kind items that are received from sponsors. The cost of these items is determined using the weighted average cost of the items based on shipment information from sponsors or the monetary value of the items as specified on the sponsorship contracts. Cost is inclusive of other direct costs such as custom duties incurred in bringing inventory to its present location and condition.

Allowance is made for excessive, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in the period in which the write-downs or losses occur.

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2.10 Provisions

Provisions are recognized when the entity has a present legal or constructive obligation as a result of a past event, and it is probable that the entity will be required to settle that obligation and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.11 Revenue recognition

i. Sporting income

Sporting income represents receipts from participation in intercontinental (Fédération Internationale de Football Association "FIFA"), continental (Confédération Africaine de Football - "CAF") and national (National Sports Commission "NSC" and League Management Company "LMC") sporting activities and bodies. The Federation receives financial and logistical support from FIFA and CAF towards the development of football in Nigeria. The Federation also receives financial and logistical support from the NSC as well as five percent (5%) of the annual net revenues generated by LMC, the special purpose vehicle for management of the Nigeria Professional Football League.

ii. Sponsorship income

The Federation generates sponsorship revenues from (i) direct sponsorship arrangements with third party corporate organizations; and (ii) its exclusive marketing agencies.

iii. Subventions

The Federation receives annual subventions from the Federal Government of Nigeria through the Office of the Accountant General of the Federation. Also, the remuneration of certain category of the Federation's staff is paid directly by the Federal Government of Nigeria and such payments are recorded as part of subvention income.

2.12 Government grants

Grants from the government are recognized as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Federation will comply with all the attached conditions.

Government grants receivable are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

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FINANCIAL RISK MANAGEMENT

3 Introduction and overview

Risks are usually defined by the adverse impact on profitability of several distinct sources of uncertainty. While the types and degree of risks an organization may be exposed to depend upon a number of factors such as its size, complexity business activities, volume etc., it is believed that generally the organizations face credit, market, liquidity, operational, compliance, legal, regulatory and reputation risks.

The Executive Committee provides overall risk management direction and oversight. The risk appetite of Nigeria Football Federation is regularly reviewed and approved by the Executive Committee.

The functions of the Executive Committee with regards to risk management include but are not limited to:

- Risk identification, measurement, monitoring and control procedures
- Establishment of an effective internal control system that covers each risk management process
- Ensuring compliance with the risk parameters and prudent limits established by the Committee

Nigeria Football Federation applies a mix of qualitative and quantitative techniques in the determination of its significant activities under some headings such as the strategic importance of the activity and sector, contribution to the assets of Nigeria Football Federation, the net income and risk inherent in the activity and sector.

Risk Management structures and processes are continually reviewed to ensure adequacy and appropriateness and to bring them up to speed with changes in strategies and evolving trends in risk management.

Risk management review

Nigeria Football Federation's risk management review encompasses all the activities that affect its risk profile. It involves identification, measurement, monitoring and controlling risks to ensure that:

- a) The individuals who take or manage risks clearly understand it.
- b) The organization's risk exposure is within the limits established by the Executive Committee.
- c) Risk taking decisions are in line with the business strategy and objectives set by the Executive Committee.
- d) The expected payoffs compensate for the risks taken.
- e) Risk taking decisions are explicit and clear.

Financial risk

The risks arising from financial instruments to which the Federation is exposed are financial risks, which includes credit risk, liquidity risk and market risk. The entity's financial instruments are as categorized:

Financial Instruments

	31 December 2017 N'000	31 December 2016 N'000
Financial assets		
Cash and bank balances	627,990	594,767
Receivables	243,813	256,846
Total	871,803	851,613
Financial liabilities		
Accounts payable	758,553	932,126
Total	758,553	932,126

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3.1 Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Federation. Credit risk is the risk of suffering financial loss, should any of the Federation's sponsors, marketing agents or counterparties fail to fulfil their contractual obligations.

The Executive Committee has overall responsibility for overseeing the Federation's credit risk management framework. Credit risk is managed by periodic valuations of the Federation's assets to make informed decisions on whether to recognize an impairment. Circumstances which inform the Federation's decision to recognize impairment includes; Value of the assets based on market prices and financial status of the obligor.

The following table breaks down the Federation's credit exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorized by the industry sectors of the entity's counterparties.

Concentration of risks of financial assets with credit risk exposure

	Cash and bank balances N'000	Receivables N'000	Total N'000
<i>(a) Geographical sectors</i>			
At 31 December 2017			
Nigeria	627,990	243,813	871,803
	627,990	243,813	871,803
At 31 December 2016			
Nigeria	594,767	256,846	851,613
	594,767	256,846	851,613
<i>(b) Industry sectors</i>			
At 31 December 2017			
Government	132,041	-	132,041
Financial services	495,949	-	495,949
Others	-	243,813	243,813
	627,990	243,813	871,803
At 31 December 2016			
Government	352,641	-	352,641
Financial services	242,126	-	242,126
Others	-	256,846	256,846
	594,767	256,846	851,613

Maximum exposure to credit risk

The Federation's maximum exposure to credit risk is represented by the net carrying amounts of the financial assets set above.

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Credit quality

IFRS 7 requires information about the credit quality of financial assets. This information is provided below:

	Cash and bank balances N'000	Receivables N'000
31 December 2017		
Carrying amount	627,990	243,813
Gross amount	627,990	1,109,216
Neither past due nor impaired	627,990	198,875
Allowance for impairment	-	-
Carrying amount	627,990	198,875
Past due but not impaired	-	44,938
Allowance for impairment	-	-
Carrying amount	-	44,938
Past due and impaired	-	865,403
Impairment	-	(865,403)
Carrying amount	-	-
31 December 2016		
Carrying amount	594,767	255,350
Gross amount	594,767	879,399
Neither past due nor impaired	594,767	-
Allowance for impairment	-	-
Carrying amount	594,767	-
Past due but not impaired	-	23,100
Allowance for impairment	-	-
Carrying amount	-	23,100
Past due and impaired	-	854,803
Impairment	-	(622,553)
Carrying amount	-	232,250

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Age analysis of past due but not impaired financial assets	31 December 2017 N'000	31 December 2016 N'000
Up to 6 months	198,875	-
Greater than 6 months	44,938	23,100
	243,813	23,100

Risk rating of financial assets

Balances with financial services

	31 December 2017 N'000	31 December 2016 N'000
External credit rating (S&P)		
B	627,990	556,244
B-	-	38,523
	627,990	594,767

Receivables

Unrated	243,813	23,100
	243,813	23,100

Rating Legend:

External credit rating (S&P)

BB: Adequate speculative credit rating

B+: Highly speculative crediting rating

B-: Highly speculative crediting rating

3.2 Liquidity risk

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

Liquidity risk management process

Nigeria Football Federation's liquidity risk management process includes regular meetings by the Executive Committee to identify, measure, monitor and control its liquidity exposures. Management is able to accurately identify and quantify the primary sources of the Federation's liquidity risk in a timely manner. To properly identify the sources, management understands both existing as well as future risk that the Federation can be exposed to. Management is always alert for new sources of liquidity risk at both the transaction and portfolio levels.

Maturity Analysis

The table below analyses the undiscounted value of financial assets and liabilities of the Federation into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date.

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3.2 Liquidity risk - Continued

	0 - 90 days N'000	90 - 365 days N'000	Total N'000
31 December 2017			
Financial assets			
Cash and cash equivalents	627,990	-	627,990
Receivables	-	243,813	243,813
Total financial assets	627,990	243,813	871,803
Financial liabilities			
Accounts payable	-	758,553	758,553
Total financial liabilities	-	758,553	758,553
31 December 2016			
Financial assets			
Cash and cash equivalents	594,767	-	594,767
Receivables	-	255,350	255,350
Total financial assets	594,767	255,350	850,117
Financial liabilities			
Accounts payable	-	932,126	932,126
Total financial liabilities	-	932,126	932,126

3.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Federation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

3.3.1 Management of market risk

Nigeria Football Federation manages market risk through the Executive Committee

Major responsibilities of the Committee include:

- a) To keep an eye on the structure /composition of Federation's assets and liabilities
- b) Decide on required maturity profile and mix of incremental assets and liabilities.
- c) Articulate interest rate view of the Federation and deciding on the future business strategy.
- d) Review and articulate funding policy.
- e) Evaluate market risk involved in launching of new products.

3.3.2 Measurement of market risk

Risk measurement

Accurate and timely measurement of market risk is necessary for proper risk management and control at Nigeria Football Federation. Market risk factors that affect the value of business activities are identified and quantified using data that can be directly observed in markets or implied from observation or history.

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3.3.3 Foreign exchange risk

It is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency position. The Federation operates its business in Nigeria and is not significantly exposed to foreign exchange risk arising from transactions in foreign currencies.

A change in the value of any such foreign currency could have an effect on the Federation's cash flow and future surplus. The Federation is exposed to exchange rate risk as a result of income and expenses that are denominated in a currency other than the Naira.

Concentration of foreign currency exposure

31 December 2017	Naira	Dollar	Pound	Euro	Total
Financial assets	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	142,749	484,555	-	686	627,990
Receivables	216,375	27,438	-	-	243,813
Total financial assets	359,124	511,993	-	686	871,803
Financial liabilities					
Accounts payable	682,965	75,588	-	-	758,553
Total financial liabilities	682,965	75,588	-	-	758,553
31 December 2016					
Financial assets	Naira	Dollar	Pound	Euro	Total
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	301,143	288,345	16	5,263	594,767
Receivables	255,350	1,496	-	-	256,846
Total financial assets	556,493	289,841	16	5,263	851,613
Financial liabilities					
Accounts payable	849,703	82,423	-	-	932,126
Total financial liabilities	849,703	82,423	-	-	932,126

3.3.4 Interest rate risk

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Federation is not exposed to interest rate risk because it does not hold interest-bearing financial instruments.

3.3.5 Price risk

The Federation is not exposed to equity price risk as at year end.

3.4 Fair value

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Federation's market assumptions.

At the reporting date, the Federation did not have any financial assets or liabilities measured at fair value (31-Dec-2017: Nil; 31-Dec-2016: Nil). The carrying amounts of all financial assets and liabilities at the reporting date approximate their fair values.

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	31 December 2017 N'000	31 December 2016 N'000
4 Sporting income		
Fédération Internationale de Football Association (FIFA)	-	15,630
Confédération Africaine de Football (CAF)	432,648	236,313
League Management Company (LMC)	154,709	128,987
Others	79,880	130,068
	667,237	510,998
* The Federation did not receive any income from FIFA during the year		
5 Sponsorships		
Aiteo Group	973,292	-
Emzor Pharmaceutical Industries Ltd	50,000	50,000
Globacom Limited	-	423,500
Guinness Nigeria Plc	290,000	381,000
Industrial and General Insurance Plc	10,000	12,100
Zenith Bank	165,375	100,000
Nike European Operations, Netherlands	243,718	102,105
Tropical General Investments Nigeria Limited	100,000	-
Payporte Global Systems Limited	40,000	-
Others	46,078	4,620
	1,918,463	1,073,325
Included in sponsorship income is the expected cash inflows due from sponsors in the year under review in accordance with executed contracts as well as the monetary value of any in-kind benefits received from the sponsors in 2017. Tropical General Investment and Payporte agreement were signed in 2017, hence no balance for 2016.		
Included in others are donations from Access bank, Wapic, Britannia-U and Heyden Petroleum.		
6 Subvention		
Sporting	1,372,931	1,030,280
Overhead	528,322	789,494
Personnel	90,795	86,951
Capital	90,020	-
	2,082,068	1,906,725
7 Personnel costs		
Non-management staff	90,795	86,951
Management staff	45,750	66,016
National team coaches' salaries	283,785	275,707
Temporary workers	28,176	16,163
Defined benefit expense (Note 17)	20,708	14,195
	469,214	459,032
8 Sporting expenses		
International activities	1,778,729	1,088,893
Local activities	929,661	839,869
	2,708,390	1,928,762

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	31 December 2017 N'000	31 December 2016 N'000
9 Other expenses		
Bank charges	6,723	1,017
Depreciation	25,026	10,078
Provision for doubtful receivables	242,850	438,750
	274,599	449,845
10 Administrative expenses		
Advertisement and promotions	19,324	1,549
Audit fees	15,000	10,000
Books, magazines and periodicals	4,590	6,996
Entertainment and hospitality	16,246	2,602
Executive Committee meetings, seminars and conferences	119,294	73,474
Foreign travels	66,152	73,639
Generator expenses	1,810	3,116
Grants and donations	62,850	3,230
Legal fees, security and other expenses	127,480	65,785
Local transport and travels	184,926	221,389
Sponsorship expenses*	242,660	88,752
Motor running expenses	6,334	781
Office running expenses	25,731	2,385
Printing and stationery	921	575
Repairs and maintenance	3,880	3,789
Staff training and welfare	26,516	55,937
Telephone, telex and courier	588	2,838
	924,302	616,837

* Sponsorship expenses represent the agency commission deducted by the Federation's marketing agents from cash receipts from sponsors.

	31 December 2017 N'000	31 December 2016 N'000
11 Inventories		
Sportswear and kits	131,013	29,763
Pharmaceutical products	2,947	8,536
	133,960	38,299

Balance represents the unutilized portion of items received from Nike and Emzor as at year end. Items are measured using the weighted average cost formula. Inventories recognized as expenses during the year ended 31 December 2017 amounted to N134.9 million. These have been included in sporting expenses.

12 Cash and cash equivalents		
Bank balances	627,990	594,767
	627,990	594,767
Maturity analysis:		
Current	627,990	594,767
Non-current	-	-
Total	627,990	594,767

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13 Property, plant and equipment

	Land and Building	Plant & Machinery	Furniture & Equipment	Motor Vehicles	Total
	N'000	N'000	N'000	N'000	N'000
Cost**					
At 1 January 2016	373,928	11,563	153,823	123,397	662,711
Additions	26,537	-	1,011	-	27,548
At 31 December 2016	400,465	11,563	154,834	123,397	690,259
At 1 January 2017	400,465	11,563	154,834	123,397	690,259
Additions	-	-	12,893	69,300	82,193
Revaluation surplus	328,989	-	-	-	328,989
At 31 December 2017	729,454	11,563	167,727	192,697	1,101,441
Accumulated depreciation					
At 1 January 2016	26,756	11,563	148,964	123,397	310,680
Charge for the year	7,689	-	2,389	-	10,078
At 31 December 2016	34,445	11,563	151,353	123,397	320,758
At 1 January 2017	34,445	11,563	151,353	123,397	320,758
Charge for the year	8,009	-	6,044	10,973	25,026
At 31 December 2017	42,454	11,563	157,397	134,370	345,784
Carrying amounts					
At 31 December 2016	366,020	-	3,481	-	369,501
At 31 December 2017	687,000	-	10,330	58,327	755,657

Messrs. Sina Adiatu & Co. (Surveyors & Valuers) revalued the Federation's Lagos liaison office building, proposed NFF headquarters within the National Stadium on the basis of the fair value subject to existing use on December 27, 2017. The surplus arising on the valuation has been credited to asset revaluation reserve. Subsequent additions to the revalued asset and other categories are stated at cost.

	31 December 2017 N'000	31 December 2016 N'000
14 Receivables		
Sponsorship	1,062,975	854,100
Other receivables	46,241	25,299
	1,109,216	879,399
Impairment on receivables	(865,403)	(622,553)
	243,813	256,846
Reconciliation of impairment allowance		
At 1 January	622,553	183,803
Additional provision	242,850	438,750
At 31 December	865,403	622,553
Maturity analysis:		
Current	226,313	21,995
Non-current	17,500	234,851
Total	243,813	256,846

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	31 December 2017 N'000	31 December 2016 N'000
15 Accounts payable and deferred income		
(a) Accounts payable		
Hotels	98,829	196,818
Travel agencies	18,457	51,516
Payable in respect of sporting activities	375,183	377,949
National team coaches' salaries	70,844	128,942
Other creditors	195,240	176,901
	758,553	932,126
(b) Deferred income*	437,680	403,060
	1,196,233	1,335,186
(a) Accounts payable		
Maturity analysis:		
Current	190,731	329,991
Non-current	567,822	602,135
Total	758,553	932,126
(b) Deferred income*		
Maturity analysis:		
Current	138,093	96,746
Non-current	299,587	306,314
Total	437,680	403,060

* Deferred income comprises the values of items of property, plant and equipment acquired through capital grants received from the Federal Government of Nigeria and recognized in the income statement on a straight-line basis over the expected lives of the related assets.

16 Retirement benefit obligation

Defined contribution scheme

The Federation operates a defined contribution pension scheme for all non management staff paid through Integrated Payroll & Personnel Information (IPPI) of the Federal Government of Nigeria.

The total expense charge to income statement of N6.1 million as part of Non-management staff represents contributions.

Defined benefit scheme

The Federation operates a defined benefit plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Re-measurements, comprising of actuarial gains and losses, the effect of any asset ceiling and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of comprehensive income in subsequent periods.

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16 Retirement benefit obligation - Continued

Management staff scheme

The plan is eligible to the management staff upon exit from the Federation. It is based on the amount of annual basic salary at the expiration of the contract, provided that the contract was not terminated before his tenure.

The table below outlines where the components of net benefit expense recognized in the profit or loss and amounts recognized in the statement of financial position.

	31 December 2017 N'000	31 December 2016 N'000
Defined benefit expense		
Current service cost	17,083	13,087
Net interest	3,625	1,108
Defined benefit expense (Note 7)	20,708	14,195
Re-measurement gains/(losses) recognized in other comprehensive income		
Re-measurement (losses)/gains	(2,136)	770
The factors below contributed to the net re-measurement gains/losses		
Actuarial losses/(gains) on assumptions	1,767	(2,319)
Actuarial losses on experience	369	1,549
Total actuarial losses/(gains) on recognized in SOCI	2,136	(770)
Amounts recognized in the statement of financial position		
Defined benefit obligation	45,500	22,656
	45,500	22,656
Changes in present value of the defined benefit		
At the beginning of the period	22,656	9,231
Current service cost	17,083	13,087
Interest cost	3,625	1,108
Remeasurement losses/(gains)	2,136	(770)
	45,500	22,656

The key economic assumptions used in determining plan benefit obligations for the defined benefit plan are shown below:

	2017	2016
Discount rate	14%	16%
Rate of salary increase	0%	0%
Inflation rate	12%	12%

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16 Retirement benefit obligation - Continued

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions based on determining the movement in the obligation by assuming a 1% increase or decrease in one assumption while all other factors remain constant.

31 December 2017

Effect of 1% increase or decrease in discount rate

	+1%	Base rate	-1%
Assumptions	13%	12%	11%
	N'000	N'000	N'000
Defined benefit obligation	44,780	45,500	46,239
Change (%)	-2.3%	0.0%	2.4%

Effect of 1% increase or decrease in rate of salary increase

	+1%	Base rate	-1%
Assumptions	0%	0%	0%
	N'000	N'000	N'000
Defined benefit obligation	N/A	45,500	N/A
Change (%)	N/A	0.0%	N/A

31 December 2016

Effect of 1% increase or decrease in discount rate

	+1%	Base rate	-1%
Assumptions	13%	12%	15%
	N'000	N'000	N'000
Defined benefit obligation	22,124	22,656	23,207
Change (%)	-2.3%	0.0%	2.4%

Effect of 1% increase or decrease in rate of salary increase

	+1%	Base rate	-1%
Assumptions	0%	0%	0%
	N'000	N'000	N'000
Defined benefit obligation	N/A	22,656	N/A
Change (%)	N/A	0.0%	N/A

The sensitivity analyses have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumption occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The demographic factors considered were withdrawal for service rate and mortality in service rate published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK

17 Accumulated fund

At 1 January	(98,429)	(135,771)
Surplus for the year	291,263	36,572
Re-measurement (loss)/gain on defined benefit scheme	(2,136)	770
	190,698	(98,429)

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	31 December 2017 N'000	31 December 2016 N'000
18 Asset revaluation reserve		
At 1 January	-	-
Revaluation Surplus	328,989	-
	<u>328,989</u>	<u>-</u>

Messrs. Sina Adiatu & Co. (Surveyors & Valuers) revalued the Federation's Lagos liaison office building, proposed NFF headquarters within the National Stadium on the basis of the fair value subject to existing use. The surplus arising on the valuation has been credited to asset revaluation reserve. Subsequent additions to the revalued asset and other categories are stated at cost.

19 Related parties

Identity of related parties

There are currently four league bodies in Nigeria affiliated to the Nigeria Football Federation, namely: League Management Company (LMC), Nigeria National League (NNL), Nigeria Nationwide League (NNWL) and Nigeria Women Football League (NWFL). While all of these are private incorporated companies, the Federation through its overall responsibility for all football activities in Nigeria exercises influence over the league bodies through:

- the composition of their Boards of Directors which are headed by NFF Executive Committee members
- grants and donations to assist in their operations

Additionally, the Federation regards all members of its Executive Committee including the General Secretary as key management personnel.

Transactions with related parties

In 2013, the Federation entered into a License Agreement with LMC granting the company the license to manage, organize and superintend over the Nigerian professional football premier league for a period of 99 years. The Federation is entitled to 5% of LMC's net earnings as annual fees under the license agreement. In addition to this contractual obligation, LMC supports the Federation financially upon request towards the development of football in Nigeria. Total inflows received from LMC amounted to N154.7 million in 2017 (2016: N128.9 million).

In addition, the license agreement mandates LMC to reserve at all times 5% in its share capital for the Federation's ownership. This shareholding has no impact on these financial statements as they are nominal and not monetary in nature.

The other league bodies are not yet as financially independent as LMC and rely on the Federation for financial support from time to time. Total amount granted to the leagues in 2017 was N23.5 million (2016: N3.2 million). The sum of N5 million was given to Nigeria Women Football League (NWFL) as donation for women league programme and N18.5 million to Nigeria Nationwide League (NNWL) to organize U-13 football competition.

Key management personnel

Members of the Executive Committee are entitled to sitting allowances for all Executive Committee meetings attended while the General Secretary is entitled to monthly remuneration in accordance with the terms of his employment contract. Total employee benefits to key management personnel amounted to N45.7 million in 2017 (2016: N34 million), Executive Committee's sitting allowance amounted to N20.9 million and the General Secretary annual remuneration amounted to N24 million.

20 Events after the reporting period

There were no significant events after the year end which would have had any material effect on these financial statements as at 31 December 2017 or require disclosure in these financial statements.

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Other national disclosure:

Statement of value added

	Dec 2017	%	Dec 2016	%
	N'000		N'000	
Revenue	4,667,768		3,491,048	
Bought in goods and services				
Local	(2,103,536)		(1,896,473)	
Foreign	(1,778,729)		(1,088,893)	
Value added	785,503	100	505,682	100
Distributed as follows:				
<i>Employees</i>				
- To pay salaries, wages and other staff costs	469,214	60	459,032	91
<i>Maintenance and expansion of assets:</i>				
- Depreciation	25,026	3	10,078	2
- Surplus for the year	291,263	37	36,572	7
Value distributed	785,503	100	505,682	100

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Other national disclosure:

Five-year financial summary

	IFRS 2017 N'000	IFRS 2016 N'000	IFRS 2015 N'000	IFRS 2014 N'000	SAS 2013 N'000
STATEMENT OF FINANCIAL POSITION					
Assets					
Property, plant and equipment	755,657	369,501	352,031	341,035	12,721
Inventories	133,960	38,299	-	-	-
Other current assets	-	-	6,500	7,834	9,917
Receivables	243,813	256,846	361,000	614,000	216,872
Cash and cash equivalents	627,990	594,767	75,831	1,215,262	1,868
	1,761,420	1,259,413	795,362	2,178,131	241,378
Liabilities					
Retirement benefit obligations	45,500	22,656	9,231	-	-
Accounts payable	758,553	932,126	602,135	147,513	131,078
Deferred income	437,680	403,060	319,767	326,493	-
	1,241,733	1,357,842	931,133	474,006	131,078
Equity					
Accumulated fund	190,698	(98,429)	(138,957)	1,700,939	107,114
Asset revaluation reserve	328,989	-	3,186	3,186	3,186
	519,687	(98,429)	(135,771)	1,704,125	110,300
Liabilities and equity	1,761,420	1,259,413	795,362	2,178,131	241,378
STATEMENT OF PROFIT OR LOSS					
Revenue					
Sporting income	667,237	510,998	1,468,564	2,590,900	1,653,329
Sponsorships	1,918,463	1,073,325	791,000	1,860,927	-
Subvention	2,082,068	1,906,725	1,507,261	1,745,019	3,101,483
	4,667,768	3,491,048	3,766,825	6,196,846	4,754,812
Expenses					
Personnel costs	(469,214)	(459,032)	(503,016)	(105,621)	(96,541)
Sporting expenses	(2,708,390)	(1,928,762)	(3,813,561)	(3,735,182)	(4,353,555)
Administrative expenses	(924,302)	(616,837)	(1,114,601)	(731,395)	(346,760)
Other expenses	(274,599)	(449,845)	(175,543)	(30,823)	(21,206)
	(4,376,505)	(3,454,476)	(5,606,721)	(4,603,021)	(4,818,062)
Surplus/(deficit) for the year	291,263	36,572	(1,839,896)	1,593,825	(63,250)