

Jamaica Football Federation Limited
(A company limited by guarantee and not having a share capital)

Financial Statements
31 December 2017

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Index

31 December 2017

	Page
Independent Auditors' Report to the Members	
Financial Statements	
Statement of financial position	1
Statement of comprehensive income	2
Statement of changes in equity	3
Statement of cash flows	4
Notes to the financial statements	5 – 33



**BAKER TILLY
STRACHAN
LAFAYETTE**

Chartered Accountants
14 Ruthven Road
Kingston 10
Jamaica

T: 876-906-1658-9
F: 876-920-3226

admin@bakertilly.com.jm
www.bakertilly.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
Jamaica Football Federation Limited
(A company limited by guarantee and not having a share capital)

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Jamaica Football Federation Limited "the Company" set out on pages 1 to 33, which comprise the statement of financial position at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of matters described in the Basis for Qualified Opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Qualified Opinion

As disclosed in note 2(a), the financial statements are prepared in conformity with International Financial Reporting Standards and contemplate the continuation of the company as a going concern. The company has reported losses in previous years and, as at the reporting date, had a working capital deficit of \$193,440,868 (2016:\$142,130,398), accumulated deficit of \$215,839,571 (2016: \$218,440,263) and negative cash flows from operating activities. Continuation as a going concern, therefore, may be in doubt and is dependent on obtaining continued financial support from sponsors and donors. No adjustments have been made in the financial statements for any effects this might have on the carrying values of assets and liabilities as at the reporting date.

As disclosed in note 15(a) to the financial statements, certain sponsorships and donations are accounted for on the cash basis. Because of its nature, such income is not accounted for on the accrual basis and not susceptible to verification of its completeness.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Jamaica Football Federation Limited
(A company limited by guarantee and not having a share capital)
Page 2

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines 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, management is responsible for assessing the Company'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 management either intends to liquidate the Company to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Jamaica Football Federation Limited
(A company limited by guarantee and not having a share capital)
Page 3

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company 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 presents a true and fair view.

We communicate with the Board of Directors 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.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examinations of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner so required.



Chartered Accountants

Kingston, Jamaica

11 July 2018


Jamaica Football Federation Limited

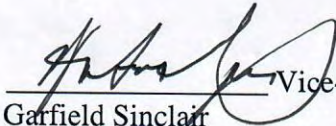
(A company limited by guarantee and not having a share capital)

**Statement of Financial Position
As at 31 December 2017**

	Note	2017 \$	2016 \$
ASSETS			
Non-Current Asset			
Property, plant and equipment	5	181,241,066	148,282,515
Current Assets			
Inventories	6	-	88,179,560
Receivables	7	4,620,170	26,354,982
Taxation recoverable		856,627	845,042
Cash at bank and in hand	8	61,652,705	19,523,647
		67,129,502	134,903,231
		248,370,568	283,185,746
EQUITY AND LIABILITIES			
Equity			
Capital reserves	9	280,408	280,408
Accumulated deficit		(215,839,571)	(218,440,263)
		(215,559,163)	(218,159,855)
Non-Current Liabilities			
Players' welfare fund	10	193,904	193,904
Deferred revenue	11	203,165,457	224,118,068
		203,359,361	224,311,972
Current Liabilities			
Payables	12	255,375,789	276,043,120
Short term loans	13	431,787	265,170
Bank overdraft	14	4,762,794	725,339
		260,570,370	277,033,629
TOTAL EQUITY AND LIABILITIES		248,370,568	283,185,746

Approved for issue by the Board of Directors on 11 July 2018 and signed on its behalf by:


 _____ President
 Michael Ricketts


 _____ Vice-President
 Garfield Sinclair

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Statement of Comprehensive Income**Year ended 31 December 2017**

	Note	2017	2016
		\$	\$
Turnover	15	459,887,922	510,777,929
Operating expenses	16	(458,387,022)	(517,998,195)
		1,500,900	(7,220,266)
Other operating income		6,510,510	4,053,566
Operating surplus/(deficit)	17	8,011,410	(3,166,700)
Finance (costs)/income, net	18	(5,410,718)	2,229,795
Net surplus/(deficit) before taxation		2,600,692	(936,905)
Taxation	20	-	-
Net surplus/(deficit)		2,600,692	(936,905)
Total comprehensive income/(loss)		2,600,692	(936,905)

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Statement of Changes in Equity
Year ended 31 December 2017

	Capital Reserves	Accumulated Deficit	Total
	\$	\$	\$
Balance at 1 January 2016	280,408	(217,503,358)	(217,222,950)
Total comprehensive loss for the year		(936,905)	(936,905)
Balance at 31 December 2016	280,408	(218,440,263)	(218,159,855)
Total comprehensive income for the year	-	2,600,692	2,600,692
Balance at 31 December 2017	280,408	(215,839,571)	(215,559,163)

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Statement of Cash Flows
Year ended 31 December 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
Cash Flows from Operating Activities		
Surplus/(deficit) before taxation	2,600,692	(936,905)
Adjustments for:		
Depreciation	4,953,894	4,502,027
Deferred revenue	(111,759,438)	(75,551,460)
Interest expense	2,617,825	1,035,566
Interest income	(46,386)	(24,889)
Unrealised currency exchange losses/(gains)	1,655,904	(4,901,718)
	<u>(99,977,509)</u>	<u>(75,877,379)</u>
Changes in operating assets and liabilities:		
Decrease in receivables	21,734,812	34,856,480
Decrease/(increase) in inventories	88,179,560	(2,517,496)
Decrease in payables	<u>(20,667,331)</u>	<u>(7,017,790)</u>
Cash used in operations	(10,730,468)	(50,556,185)
Taxation paid	(11,585)	(8,763)
Interest paid	(2,617,825)	(1,035,566)
Interest received	<u>46,386</u>	<u>24,889</u>
Net cash used in operating activities	<u>(13,313,492)</u>	<u>(51,575,625)</u>
Cash Flows from Investing Activity		
Purchase of property, plant and equipment	<u>(37,912,445)</u>	<u>(14,278,525)</u>
Net cash used in investing activity	<u>(37,912,445)</u>	<u>(14,278,525)</u>
Cash Flows from Financing Activities		
Short term loans	166,617	(166,617)
Deferred revenue	<u>90,806,827</u>	<u>75,742,206</u>
Net cash provided by financing activities	<u>90,973,444</u>	<u>75,575,589</u>
Net increase in cash and cash equivalents	39,747,507	9,721,439
Effect of foreign exchange on cash and cash equivalents	(1,655,904)	4,901,718
Cash and cash equivalents at beginning of year	<u>18,798,308</u>	<u>4,175,151</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>56,889,911</u>	<u>18,798,308</u>
Represented by:		
Cash at bank and in hand	61,652,705	19,523,647
Bank overdraft	<u>(4,762,794)</u>	<u>(725,339)</u>
	<u>56,889,911</u>	<u>18,798,308</u>

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements

31 December 2017

1. Identification and Principal Activities

Jamaica Football Federation Limited ("the Company") was incorporated in Jamaica on May 2, 2001 as a company limited by guarantee and not having a share capital. In the event of a winding up, every member undertakes to contribute such amount as may be required, not exceeding \$50 each. The company is domiciled in Jamaica with registered office at 20 St. Lucia Crescent, Kingston 5, Jamaica.

The constitution of the predecessor organization, Jamaica Football Federation ("Federation") was adopted at an extraordinary congress held on August 11, 1990 at Insport, National Arena, Kingston. The Congress of Delegates, the supreme governing body, comprised the presidents of the parish associations and parish confederations. The members of the Executive Council are elected in accordance with the constitution, either by congress and/or by parish confederations and are responsible for guiding the work of the Federation between meetings of Congress.

The company's principal activities comprise of the promotion and general development of the game of football in Jamaica.

These financial statements are presented in Jamaican dollars.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) Basis of preparation

Except as disclosed in notes 2(l) and 2(r) below, these financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention modified for the inclusion of certain items at fair value. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the accompanying notes.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017**

2. Summary of significant accounting policies (continued)**(a) Basis of preparation (continued)**

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgment in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 4.

Amendments to published standards effective in the current year that are relevant to the Company's operations

Amendment to IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2017). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. It clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of the other comprehensive income (OCI) of associates and joint ventures accounted using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss.

Amendments to IAS 7 'Statement of Cash Flows' to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment became effective 1 January 2017.

Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Asset'. Through the publication of 'Clarification of acceptable methods of depreciation and amortisation', IASB has clarified that calculating depreciation based on assumptions relating to revenue generation is an inappropriate method as the future economic benefits of an asset are not defined only by its revenue generating ability. IAS 38 allows for this assumption to be rebutted based on the circumstances where the intangible asset is expressed as a measure of revenue or it can be demonstrated that both revenue and consumption of economic benefits of an intangible asset are highly correlated. This standard became effective 1 January 2017.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017**

2. Summary of significant accounting policies (continued)**(a) Basis of preparation (continued)****Amendments to published standards effective in the current year that are relevant to the Company's operations (continued)**

Annual Improvements 2012-2014, (effective for annual periods beginning on or after 1 January 2017). The amendments impact the following standards. IFRS 5 was amended to clarify that change in the manner of disposal (reclassification from "held for sale" to "held for distribution" or vice versa) does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. The amendment to IFRS 7 adds guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement, for the purposes of disclosures required by IFRS 7. The amendment also clarifies that the offsetting disclosures of IFRS 7 are not specifically required for all interim periods, unless required by IAS 34. The amendment to IAS 19 clarifies that for post-employment benefit obligations, the decisions regarding discount rate, existence of deep market in high-quality corporate bonds, or which government bonds to use as a basis, should be based on the currency that the liabilities are denominated in, and not the country where they arise. IAS 34 will require a cross reference from the interim financial statements to the location of "information disclosed elsewhere in the interim financial report".

Standards and amendments to published standards that are not yet effective and have not been early adopted by the company

IFRS 9, Financial Instruments, which is effective for annual reporting periods beginning on or after 1 January 2018, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognized.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017**

2. Summary of significant accounting policies (continued)**(a) Basis of preparation (continued)****Standards and amendments to published standards that are not yet effective and have not been early adopted by the company (continued)**

IFRS 15, 'Revenue from Contracts with Customers', (effective for periods beginning on or after 1 January 2018). It replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC – 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other IFRS takes precedence.

IFRS 16 'Leases', specifies how an IFRS reporter will recognise, measure, present and disclose leases. IFRS 16 was issued January 2017 and becomes effective 1 January 2019. It replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. Applying that model, a lessee is required to recognise:

- (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
- (b) depreciation of lease assets separately from interest on lease liabilities in the income statement.

The Company is currently assessing the impact of future adoption of the amendments on its financial statements.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements

31 December 2017

2. Summary of significant accounting policies (continued)

(b) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the date of the statement of financial position, that is, in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

(c) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see below). Land is stated at cost and no depreciation is charged. Building is stated at revaluation cost less accumulated depreciation.

The fair value of building is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Depreciation is calculated on a straight-line basis at rates to write off the carrying value of the assets over their expected useful lives. The rates used to write off the cost of assets are as follows:

Buildings	2%
Furniture, fixtures & equipment	10%
Computers	33 ¹ / ₃ %
Motor vehicles	10%

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

(d) Receivables

Receivables are stated at their nominal value as reduced (where applicable) by appropriate allowances. The company maintains an allowance for credit losses, which in management's opinion, is adequate to absorb all credit related losses in its portfolio.

(e) Inventories

Inventories are stated at the lower of cost and net realizable value, cost being determined on a first in first out basis. Net realizable value is the estimate of the selling price in the ordinary course of the business, less selling expenses.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017**

2. Summary of significant accounting policies (continued)**(f) Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, short term deposits and bank overdraft.

(g) Fair value of financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets carried on the statement of financial position include cash and cash equivalents and receivables. Financial liabilities consist of payables, short term loans and bank overdraft.

Generally financial instruments are recognized on the statement of financial position when the company becomes a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

(h) Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017**

2. Summary of significant accounting policies (continued)**(i) Borrowings (continued)****Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Income taxes

Where applicable, taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

(k) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017**

2. Summary of significant accounting policies (continued)**(l) Sponsored goods and services in-kind**

Sponsored goods and services in-kind are valued at cost at the time of supply and credited to profit or loss based on usage. Unused sponsored goods and services are recognised as deferred revenue.

(m) Donations and sponsorships

Donations and sponsorships are accounted for on the accrual basis where these contributions are subject to formal agreements, other sponsorships and donations are accounts for on the cash basis.

(n) Donated property, plant and equipment

Donated property, plant and equipment are capitalized at fair value at the date of receipt, and recognised as deferred credits.

(o) Revenue recognition

Revenue comprises the following:

(i) Deferred revenue

Deferred revenue comprise the estimated fair value of property, plant and equipment donated to the company. Fair value is estimated as the market value of the asset at the time of the receipt.

For each reporting period, an amount equivalent to the depreciation charge on the relevant property, plant and equipment for that period is transferred from deferred revenue to profit or loss.

(ii) Deferred income

Sponsorships and donations in cash/kind relating to periods subsequent to the reporting date are accounted for as deferred income and credited to profit or loss in the period to which they relate.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017**

2. Summary of significant accounting policies (continued)**(p) Related party transactions**

A party is related to the company, if:

- (i) directly, or indirectly through one or more intermediaries, the party, is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate of the company;
- (iii) the party is a joint venture in which the company is a venturer;
- (iv) the party is a member of the key management personnel of the company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) to (iv);
- (vi) the party is the company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any company that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The company has a related party relationship with its directors and key management personnel, representing certain senior officers of the company.

(q) Impairment

At each statement of financial position date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017**

2. Summary of significant accounting policies (continued)**(r) Going concern assumption**

The preparation of the financial statements in accordance with IFRS assumes that the company will continue operations for the foreseeable future. This means, in part, that the statement of profit or loss and other comprehensive income and the statement of financial position assume no intention or necessity to liquidate or curtail the scale of the company's operations. This is commonly referred to as the going concern basis. The company has reported losses in previous years and, at the reporting date, had a working capital deficit of \$193,440,868 (2016:\$142,130,398), accumulated deficit of \$215,839,571 (2016: 218,440,263) and negative cash flows from operating activities.

Continuation as a going concern, therefore, may be in doubt and is dependent on obtaining continued financial support from sponsors and donors. No adjustments have been made in the financial statements for any effects this might have on the carrying values of assets and liabilities as at the reporting date.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017**

3. Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

The company's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Directors are ultimately responsible for the establishment and oversight of the company's risk management framework. They provide written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

(a) Credit risk

The company takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the company by failing to discharge their contractual obligations. Credit risk is the most important risk for the company's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the company's receivables from customers and its investment and treasury activities. The company structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

Credit review process

Management performs ongoing analysis of the ability of sponsors and other counterparties to meet their obligations.

(i) Receivables

The company writes-off accounts receivable (and any related allowance for losses) when it determines that accounts receivable are uncollectible. This determination is usually made considering information such as account history, payment patterns, changes in the debtor's financial position, or economic condition of the debtor's industry. Amounts for write-off must be submitted to the Board of Directors for approval.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****3. Financial risk management (continued)****(a) Credit risk (continued)****Credit review process (continued)****(i) Receivables (continued)**

The carrying amount of the financial assets recorded in the financial statements, represents the maximum amount of the company's exposure to credit risk without taking account of the value of any collateral obtained.

The company's average credit period on receivables is 30 days. The company has provided for amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

(ii) Cash and cash equivalents

Cash transactions are limited to high credit quality financial institutions. The company has policies in place to limit the amount of exposure to any one financial institution.

Maximum exposure to credit risk

The company's maximum exposure to credit risk at year end was as follows:

	2017	2016
	<u>\$</u>	<u>\$</u>
Receivables	4,620,170	26,354,982
Cash at bank and in hand	61,652,705	19,523,647
	<u>66,272,875</u>	<u>45,878,629</u>

Exposure to credit risk for trade receivables

The following table summarises the company's credit exposure for trade receivables at their carrying value amounts:

	2017	2016
	<u>\$</u>	<u>\$</u>
Accounts receivables	4,620,170	42,259,589
Sponsorship receivables	-	-
	<u>4,620,170</u>	<u>42,259,589</u>
Provision for bad debts	-	(15,904,607)
	<u>4,620,170</u>	<u>26,354,982</u>

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****3. Financial risk management (continued)****(a) Credit risk (continued)****Exposure to credit risk for trade receivables (continued)**

The ageing of trade receivables was as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
Current	1,524,656	28,061,372
Past due 90 days	3,095,514	1,002,485
Past due over 90 days	-	13,195,732
	<u>4,620,170</u>	<u>42,259,589</u>
Provision for bad debts	-	(15,904,607)
	<u>4,620,170</u>	<u>26,354,982</u>

(b) Liquidity risk

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The company's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis;
- (ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining a committed line of credit.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****3. Financial risk management (continued)****(b) Liquidity risk (continued)****Undiscounted cash flows of financial liabilities**

The maturity profile of the company's financial liabilities at year end on contractual undiscounted payments was as follows:

	Within 1 month	1 to 3 months	3 to 12 months	2 to 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$	\$
2017						
Payables	255,375,789	-	-	-	-	255,375,789
Short term loans	-	-	431,787	-	-	431,787
Bank overdraft	4,762,794	-	-	-	-	4,762,794
	<u>260,138,583</u>	<u>-</u>	<u>431,787</u>	<u>-</u>	<u>-</u>	<u>260,570,370</u>
2016						
Payables	276,043,120	-	-	-	-	276,043,120
Short term loans	-	-	265,170	-	-	265,170
Bank overdraft	725,339	-	-	-	-	725,339
	<u>276,768,459</u>	<u>-</u>	<u>265,170</u>	<u>-</u>	<u>-</u>	<u>277,033,629</u>

Assets available to meet all of the liabilities and to cover financial liabilities include cash and cash equivalents.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****3. Financial risk management (continued)****(c) Market risk**

The company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk exposures are measured using sensitivity analysis. There has been no significant exposure to market risks or the manner in which the company manages and measures the risk.

(d) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

The following table summarises the company's exposure to interest rate risk. It includes the company's financial instruments at carrying amounts, categorized by the contractual repricing or maturity dates.

	Within 1 month	1 to 3 months	3 to 12 months	2 to 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$	\$
	2017					
Assets						
Receivables	-	-	-	-	4,620,170	4,620,170
Cash at bank and in hand	38,499,274	-	-	-	23,153,431	61,652,705
Tax recoverable	-	-	-	-	856,627	856,627
Total financial assets	38,499,274	-	-	-	28,630,228	67,129,502
Liabilities						
Bank overdraft	4,762,794	-	-	-	-	4,762,794
Short term loans	-	-	431,787	-	-	431,787
Payables	-	-	-	-	255,375,789	255,375,789
Total financial liabilities	4,762,794	-	431,787	-	255,375,789	260,570,370
Total interest re- pricing gap	33,736,480	-	(431,787)	-	(226,745,561)	(193,440,868)

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****3. Financial risk management (continued)****(d) Interest rate risk (continued)**

	Within 1 month	1 to 3 months	3 to 12 months	2 to 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$	\$
	2016					
Assets	<hr/>					
Receivables	-	-	-	-	26,354,982	26,354,982
Cash at bank and in hand	4,719,099	-	-	-	14,804,548	19,523,647
Tax recoverable	-	-	-	-	845,042	845,042
Total financial assets	4,719,099	-	-	-	42,004,572	46,723,671
Liabilities	<hr/>					
Bank overdraft	725,339	-	-	-	-	725,339
Short term loans	-	-	265,170	-	-	265,170
Payables	-	-	-	-	276,043,120	276,043,120
Total financial liabilities	725,339	-	265,170	-	276,043,120	277,033,629
Total interest re- pricing gap	3,993,760	-	(265,170)	-	(234,038,548)	(230,309,958)

(e) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The carrying amounts included in the financial statements for cash and short term deposits, bank overdraft, receivables, short term loans and payables reflect their approximate fair values because of the short-term nature of these instruments.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

**Notes to the Financial Statements
31 December 2017****3. Financial risk management (continued)****(f) Foreign currency risk**

The company undertakes certain transactions denominated in currencies other than the Jamaican dollar resulting in exposures to exchange rate fluctuations.

Financial assets and liabilities quoted in foreign currency are as follows:-

	<u>2017</u>	<u>2016</u>
	<u>JMD</u>	<u>JMD</u>
Cash at bank and in hand	<u>58,916,652</u>	<u>17,949,370</u>
Currency		
USD	<u>471,333</u>	<u>140,666</u>

The exchange rate as at 31 December 2017 was:
US\$1.00 = J\$125 (2016: US\$1.00 = \$127.6024)

The following table demonstrates the sensitivity to fluctuations in the exchange rates of the currencies held by the company before tax, with all other variables held constant.

	Change in exchange rate	<u>2017</u>	<u>2016</u>
		\$	\$
Revaluation	+2% (2016 - (1%))	(1,178,333)	(179,494)
Devaluation	-4% (2016 - (6%))	<u>2,356,666</u>	<u>1,076,962</u>

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017**

4. Critical accounting estimates and judgments in applying accounting policies

The company makes estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, income and expenses reported in these financial statements. Amounts and disclosures based on these estimates assumptions and judgements may be different from actual outcomes, and these differences may be reported in the financial statements of the next financial year. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

(i) Impairment losses on receivables

The company reviews its receivables to assess impairment at least on an annual basis. In determining whether an impairment loss should be recorded in the statement of income, the company makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the receivables resulting from adverse change in the payment status of the customer or national and economic conditions that correlate with defaults on receivables in the company. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(ii) Income taxes

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain in the ordinary course of business. In cases of such uncertainty, the Company recognises liabilities for possible additional taxes based on its judgement. Where, on the basis of a subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017**

4. Critical accounting estimates and judgments in applying accounting policies (continued)**(iii) Depreciable assets**

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(iv) Valuation of financial instruments

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the company determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements 31 December 2017

5. Property, plant and equipment

	Land & Buildings		Furniture, Fixtures & Equipment		Computers	Motor Vehicles	Construction In Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost/valuation -								
1 January 2016	86,037,033	24,766,588	8,964,929	9,852,593	53,901,931		183,523,074	
Additions	-	1,404,168	1,344,355	-	11,530,002		14,278,525	
31 December 2016	86,037,033	26,170,756	10,309,284	9,852,593	65,431,933		197,801,599	
Additions	-	109,309	300,600	10,835,231	26,667,305		37,912,445	
31 December 2017	86,037,033	26,280,065	10,609,884	20,687,824	92,099,238		235,714,044	
Depreciation -								
1 January 2016	11,842,964	18,040,247	8,275,889	6,857,957	-		45,017,057	
Charge for the year	1,560,741	1,025,598	1,001,866	913,822	-		4,502,027	
31 December 2016	13,403,705	19,065,845	9,277,755	7,771,779	-		49,519,084	
Charge for the year	1,560,741	717,211	678,597	1,997,345	-		4,953,894	
31 December 2017	14,964,446	19,783,056	9,956,352	9,769,124	-		54,472,978	
Net Book Value -								
31 December 2017	71,072,587	6,497,009	653,532	10,918,700	92,099,238		181,241,066	
31 December 2016	72,633,328	7,104,911	1,031,529	2,080,814	65,431,933		148,282,515	

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****5. Property, plant and equipment (continued)**

- (a) The company's freehold land and buildings were revalued as at January 1, 2005, by JN Real Estate Company Limited, on the market value basis, on November 19, 2004. The value was treated as deemed cost on first-time adoption of IFRS in 2004 and gains have been included in accumulated deficit in prior years.
- (b) Construction in progress of \$92,099,238 (2016: \$65,431,933) represents expenditure for the development of the football academy located at the University of the West Indies, Mona Campus and the construction of a broadcast studio and the acquisition of studio equipment.

6. Inventories

	<u>2017</u>	<u>2016</u>
	\$	\$
Merchandise (a)	-	88,179,560
Broken down as follows:		
T-shirts	-	58,284,809
Sweat-suits	-	6,682,593
Shorts	-	8,131,588
Socks	-	3,247,596
Miscellaneous	-	11,832,974
	<u>-</u>	<u>88,179,560</u>

- (a) The federation entered into a contract with ROMAI, on 15th of December 2014, which commenced on the 1 January 2015 and was initially intended to expire on 31 December 2018. However both parties decided to end the contract early, the contract with ROMAI ended in November 2017.

On 31 December 2017 the federation entered into an agreement with UMBRO for the sponsorship of gears. The contract comes in effect on 1 January 2018 and is expected to expire 31 December 2022.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****7. Receivables**

	<u>2017</u>	<u>2016</u>
	\$	\$
Sponsorship receivables	-	-
Other receivables and prepayments	4,620,170	42,259,589
	<u>4,620,170</u>	<u>42,259,589</u>
Bad debt provision	-	(15,904,607)
	<u>4,620,170</u>	<u>26,354,982</u>

The movement in the allowance for impairment in respect of accounts receivables during the year was as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance at beginning of year	15,904,607	15,904,607
Write-offs	(15,904,607)	-
Charge for the year	-	-
	<u>-</u>	<u>15,904,607</u>

8. Cash at bank and in hand

	<u>2017</u>	<u>2016</u>
	\$	\$
National Commercial Bank (Jamaica) Limited	495,106	674,060
Jamaica Money Market Brokers Limited	1,787,683	21,948
Jamaica National Building Society	-	1,717
Sagicor Bank (Jamaica) Limited	58,838,434	17,856,070
Scotia Investment (Jamaica) Limited	374,687	954,602
Cash on hand	156,795	15,250
	<u>61,652,705</u>	<u>19,523,647</u>

Cash at bank is comprised mainly of amounts held in current and savings accounts at licensed deposit taking institutions; savings accounts attract interest at 0% - 0.5% per annum.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****9. Capital reserves**

	<u>2017</u>	<u>2016</u>
	\$	\$
Excess of assets over liabilities of Jamaica Women's Football Association	280,408	280,408

10. Players' welfare fund

The Finance Committee had designated all income from franchises to be transferred to a Players' Welfare Fund which, together with any interest earned, is to be used to provide financial support to players.

11. Deferred revenue

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance at beginning of year	224,118,068	223,927,322
Received during the year	90,806,827	75,742,206
	314,924,895	299,669,528
Recognised in sponsorship income for the year	(111,759,438)	(75,551,460)
Balance at end of year	<u>203,165,457</u>	<u>224,118,068</u>

This represents donated property, plant and equipment and sponsorship.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****12. Payables**

	<u>2017</u>	<u>2016</u>
	\$	\$
Trade payables	52,281,230	75,953,634
Statutory liabilities	189,737,414	174,486,341
Other payables and accruals (a)	13,357,145	25,603,145
	<u>255,375,789</u>	<u>276,043,120</u>

(a) Other payables and accruals include a provision of \$7,835,944 (2016:\$7,835,944) in respect of accrued vacation leave as at year-end.

13. Short term loans

	<u>2017</u>	<u>2016</u>
	\$	\$
Due to Board members	431,787	265,170
	<u>431,787</u>	<u>265,170</u>

The loans from Board members are unsecured and interest-free with no fixed repayment terms.

14. Bank overdraft

	<u>2017</u>	<u>2016</u>
	\$	\$
Sagicor Bank (Jamaica) Limited	4,762,794	725,339

Bank overdraft represents cheques drawn at year end, not yet presented to the bank.

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****15. Turnover**

Turnover represents sponsorship and donations, grants and revenue that is generated from matches played during the financial year.

	<u>2017</u>	<u>2016</u>
	\$	\$
Sponsorships and donations (a)	121,207,422	147,071,126
Gate receipts	-	38,994,600
Match fees	138,052,500	175,350,000
Broadcast rights	-	36,951,500
Grants:		
FIFA	140,302,950	51,069,280
Sports Development Foundation	42,000,000	58,000,000
CONCACAF	15,875,000	-
Registration fees and fines	2,450,050	3,341,423
	<u>459,887,922</u>	<u>510,777,929</u>

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

**Notes to the Financial Statements
31 December 2017****15. Turnover (continued)**

	<u>2017</u>	<u>2016</u>
	\$	\$
(a) Sponsorships and donations:		
(i) In cash:		
Jamaica Money Market Brokers Limited	2,911,210	1,500,000
Digicel	57,600,000	99,480,000
Caribbean Football Union	-	2,625,000
Wisynco Group Limited	-	2,426,314
CONCACAF	1,027,430	-
Sports Development Foundation	9,334,000	10,500,000
Other	5,100,739	5,287,500
	<u>75,973,379</u>	<u>121,818,814</u>
(ii) In kind:		
ROMAI	38,687,075	22,453,289
Other	6,546,968	2,799,023
	<u>45,234,043</u>	<u>25,252,312</u>
	<u>121,207,422</u>	<u>147,071,126</u>

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****16. Expenses by nature**

	<u>2017</u>	<u>2016</u>
	\$	\$
Administrative expenses	4,565,564	2,085,623
Advertising and promotion	4,644,496	2,456,023
Affiliation fees	102,469	180,000
Automobile expense	6,496,424	4,555,702
Bad debt expense	6,893,668	-
Brokerage fees	473,250	912,440
Cash discounts	-	429,730
Cleaning and sanitations	1,122,814	1,058,500
Depreciation	4,953,894	4,502,027
Dues and subscriptions	181,688	134,887
Fines and penalties	-	1,071,822
Gears and equipment	38,253,173	22,959,272
Licenses and permits	84,000	-
Competition related expenses	158,147,740	159,753,000
Printing and stationery	1,500,742	1,635,855
Professional fees	8,179,986	13,451,356
Rates and taxes	12,743,472	13,053,467
Referee payments	4,244,921	1,172,688
Rent	4,759,181	6,449,008
Repairs and maintenance	4,425,440	4,504,468
Security	3,014,338	3,037,633
Staff costs (Note 19)	60,672,092	129,613,696
Travel	124,335,550	137,296,200
Utilities	8,592,120	7,684,798
	<u>458,387,022</u>	<u>517,998,195</u>
Finance costs/(income), net	5,410,718	(2,229,795)
	<u>463,797,740</u>	<u>515,768,400</u>

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****17. Operating profit/(deficit)**

The following have been charged in arriving at operating profit/(deficit):

	<u>2017</u>	<u>2016</u>
	\$	\$
Auditors' remuneration	2,500,000	2,300,000
Depreciation	4,953,894	4,502,027
Directors' emoluments	-	-
Management remuneration (included in staff costs)	10,915,500	7,771,500
Staff costs (Note 19)	<u>60,672,092</u>	<u>129,613,696</u>

18. Finance (costs)/income, net

	<u>2017</u>	<u>2016</u>
	\$	\$
Foreign exchange gains, net	-	4,901,718
Interest income	<u>46,386</u>	<u>24,889</u>
	46,386	4,926,607
Interest expense	(2,617,825)	(1,035,566)
Bank charges	(1,183,375)	(1,661,246)
Foreign exchange losses, net	<u>(1,655,904)</u>	<u>-</u>
	<u>(5,410,718)</u>	<u>2,229,795</u>

Jamaica Football Federation Limited

(A company limited by guarantee and not having a share capital)

Notes to the Financial Statements**31 December 2017****19. Staff costs**

	<u>2017</u>	<u>2016</u>
	\$	\$
Salaries and wages	48,582,969	116,727,838
Statutory contributions	3,992,809	3,193,401
Staff welfare	8,096,314	9,692,457
	<u>60,672,092</u>	<u>129,613,696</u>
Permanent	28	24
Contracted	16	24
Casual	4	3

20. Taxation

- (a) At the reporting date, taxation losses, (subject to agreement with the Commissioner General, Tax Administration Jamaica), available for set-off against future taxable profits, amounted to approximately \$955,971,135 (2016: \$958,571,827).
- (b) Deferred tax asset of approximately \$238,992,784 (2016:\$239,642,957) in respect of taxation losses has not been recognized in the financial statements, due to the uncertainty that future taxable profits will be generated within the foreseeable future against which the asset can be realized.

21. Related party transactions

The company has related party relationships with its directors and senior officers, who are collectively referred to as “key management personnel”.

The Board members offer their services to the company on a pro-bono basis. Key management personnel compensation is shown in Note 17.