Suriname Football Association

Report on the
financial statements 2016

Lutchman & Co
An independent member firm of Moore Stephens International Limited
Paramaribo, March 27, 2017
This report contains 16 pages
DK/fl/J2016-1715

Table of contents

Report of the auditors

Independent auditor's report 2-3

Financial statements

Balance sheet 4

Statement of income and expenses 5

Notes to the financial statements 6-15

Other information 16

Report of the auditors

Independent auditor’s report

LUTCHMAN&CO

AUDITORS · TAX CONSULTANTS · MANAGEMENT CONSULTANTS

A Dr. J.F. Nassylaan 25 · P.O.Box 2457 · Paramaribo, Suriname
T (+597) 47 47 54 · F (+597) 42 57 67
E office@lutchmanaccountants.com

INDEPENDENT AUDITOR'S REPORT

To the Board of
Suriname Football Association
Paramaribo

Report on the financial statements
We have audited the accompanying financial statements 2016 of Suriname Football Association ("SVB") in Paramaribo, which comprise the balance sheet at 31 December 2016 and the statement of income and expenses for 2016 and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility
Management is responsible for the preparation and fair presentation of these financial statements, in accordance with generally accepted accounting principles. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of Suriname Football Association at 31 December 2016, and of its result for the year then ended in accordance with generally accepted accounting principles.

An independent member firm of
Moore Stephens International Limited
MOORE STEPHENS

Basis of accounting and restriction on distribution and use

Without qualifying our opinion, we draw attention to note 2.1 to the financial statements, which describes the basis of accounting. The accounting policies used are selected and disclosed by the Suriname Football Association. The financial statements are prepared to assist SVB to comply with its accountability requirements and its financial rules and regulations. As a result the financial statements may not be suitable for other purposes.

Our auditor's report is therefore intended solely for the board of the SVB, its members and FIFA, and should not be distributed or used by other parties than the board of the SVB, its members and FIFA.

Paramaribo, March 27, 2017

Lutchman & Co, Accountants

was signed by
D. de Keyzer AA, Chartered Accountant

Financial Statements

- Balance sheet
- Statement of income and expenses
- Notes to the financial statements

BALANCE AT 31 DECEMBER 2016

ASSETS		2016		2015
	SRD	SRD	SRD	SRD
Tangible fixed assets				
Land	35,911,651		20,998,022	
Buildings	19,174,093		11,086,070	
Other fixed assets	444,157		441,408	
Work in progress	3,553,338		1,135,376	
		59,083,239		33,660,876
Current assets				
Receivables		245,965		62,486
Cash and banks		608,416		356,254
		59,937,620		34,079,616
EQUITY AND LIABILITIES				
Equity				
General reserve	9,131,709		7,425,147	
Revaluation reserve	48,003,729		24,902,254	
Unappropriated result	2,607,395		1,450,154	
		59,742,833		33,777,555
Current liabilities				
Bank overdraft	32,770		189,247	
Amounts received in advance	6,164		2,155	
Other current liabilities	155,853		110,659	
		194,787		302,061
		59,937,620		34,079,616

The Board:

John Krishnadath – Chairman _____

Dayasankar Mathoera – Vice-Chairman _____

Bernhard Abia – Secretary _____

Bidjaikoemar Mankoe – Treasurer _____

Arnold Bilkerdijk – Commissioner _____

Waldo Gobardhan – Commissioner _____

Robbie Poetisi – Commissioner _____

Suriname Football Association

STATEMENT OF INCOME AND EXPENSES

INCOME	2016	2015
	SRD	SRD
Income from own activities		
Competitions	83,690	55,935
Rental stadiums to third parties	215,313	112,640
Income from related activities	457,657	588,091
Administrative charges	107,448	47,535
International competitions	48,795	139,855
Football tournaments	27,775	37,675
Donations and sponsoring	814,330	418,438
Total income from own activities	1,755,008	1,400,169
Other income		
FIFA contributions	3,315,442	2,647,856
FIFA Supports	2,216,051	2,088,539
Total other income	5,531,493	4,736,395
TOTAL INCOME	7,286,501	6,136,564
EXPENSES		
Expenses from activities		
Competitions/interlands	1,011,300	916,659
Football tournaments	23,399	41,919
National teams	1,558,899	1,522,026
Administrative framework and delegations	38,570	21,177
Receiving foreign guests	15,926	8,012
Projects	270,315	503,714
Total expenses from activities	2,918,409	3,013,507
Operating expenses		
Personnel	491,189	392,510
Housing	618,293	421,915
General	547,061	421,050
Depreciation	520,822	412,637
Financial (income) and expenses	-416,668	24,791
Total operating expenses	1,760,697	1,672,903
Total expenses	4,679,106	4,686,410
Net result	2,607,395	1,450,154

The Board:

John Krishnadath – Chairman _____

Dayasankar Mathoera – Vice-Chairman _____

Bernhard Abia - Secretary _____

Bidjaikoemar Mankoe – Treasurer _____

Arnold Bilkerdijk – Commissioner _____

Waldo Gobardhan – Commissioner _____

Robbie Poetisi – Commissioner _____

1. General

1.1 Activities

The activities of Suriname Football Association ("SVB") mainly concern serving the interest of its members. The association was founded on October 1, 1920 and is located in Paramaribo. The objective of the association is to practicing football in Suriname in the broadest sense of the word in all its facets, thereby promoting solidarity, playing style and sportsmanship, to ensure coordination and facilitation. The association aims to achieve this goal legitimately through:

a. Organizing and promoting football matches.
b. Assisting in the broadest sense to those who practice soccer sport.
c. Work closely with national and international organizations to achieve the goals of SVB.
d. Pursue activities that benefits football.
e. Settlement of disputes about football matters, either on its own initiative or at the request of the parties concerned.
f. Generating or do generate funds for the activities of the SVB.
g. All legal and lawful means at its disposal which can be conducive to the SVB's objective.

1.2 Board of SVB

On December 31, 2016 the composition of the Board is as follows:

John Krishnadath	: Chairman
Dayasankar Mathoera	: Vice-Charmain
Bernhard Abia	: Secretary
Bidjaikoemar Mankoe	: Treasurer
Arnold Bilkerdijk	: Member
Waldo Gobardhan	: Member
Robbie Poetisi	: Member

2. Accounting policies applied to the valuation of assets and liabilities

2.1 General

The financial statements have been prepared in accordance with generally accepted accounting principles on the going concern basis of accounting.

Assets and liabilities are generally valued at historical cost, production cost or at fair value. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet and the statement of income and expenses, references are made to the notes.

2.2 Comparison with previous year

The principles of valuation and method of determining the result are the same as those used in previous year.

2.3 Foreign currency

2.3.1 Reporting and functional currency

The financial statements are presented in Suriname dollars (SRD), which is the functional and reporting currency of SVB.

The exchange rates used at December 31, 2016 are as follows:

	2016	2015
EUR	7.85	4.59
USD	7.50	4.20

2.3.2 Transactions, receivables and liabilities

Transactions in foreign currencies are stated in the financial statements at the exchange rate on the date of the transaction.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the statement of income and expenses.

Non-monetary assets are valued at historical cost in a foreign currency (or the approximate price) are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

2.4 Use of judgment and estimates

In preparing these financial statements management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised and in any future periods if affected.

2.5 Tangible fixed assets

Land, buildings and renovations are valued at fair value which is based on the valuation of a licensed surveyor, taking into account technical and economic developments. Changes in the value are recognized in the revaluation reserve. Other tangible fixed assets are valued at historical cost less accumulated depreciation. Land and work in progress are not depreciated.

2.6 Receivables

Receivables are stated at nominal value less a provision for doubtful receivables, based on a review of all balances at the end of the year.

2.7 Cash and cash equivalents

Cash at banks and on hand represent cash on hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and on hand is carried at nominal value.

2.8 Equity

The equity of SVB is subdivided in reserves and unappropriated result which is available to the General Members Meeting of SVB.

Principles for the determination of the result

2.9 General

Net result is the difference between total income and total expenses. Income is recognized in the statement of income and expenses in the year in which they are realized; expenses are accounted for in the period in which they are foreseen. For income received in the form of goods or services, the real value is used insofar as it can be determined. Income of this kind is recorded in the statement of income and expenses.

Income with a designated purpose, is recognized in the statement of income and expenses; if this income is under-spent in the reporting year, the available unspent budget is transferred to the general reserve. A withdrawal from the general reserve is treated as expenditure (expense) in the statement of income and expenses.

2.10 Income from own activities

Income from own activities are recognized as income in the statement of income and expenses in the year in which the subsidized costs are incurred, or income is lost or a subsidized operating deficit has occurred. The income is recognized when it is likely that it will be received and SVB can show the conditions for receipt.

2.11 Sponsor funds

Funds of sponsors are recognized in the statement of income and expenses in the year to which they relate.

2.12 Donations and sponsorship

Donations in kind are valued at fair value. Donations received in the form of services are recognized in the statement of income and expenses, only if they can be valued in financial terms.

2.13 Exchange rate differences

Exchange rate differences that occur at the settlement of monetary items are recognized in the statement of income and expenses in the period in which they occur.

2.14 Expenses

The expenses are determined on a historical basis and allocated to the period to which they relate.

2.15 Employee benefits

2.15.1 Periodically payable benefits

Wages, salaries and social charges are stated on the basis of the conditions of employment in the profit and loss account to the extent that they are payable to the employees.

2.16 Depreciation

Tangible fixed assets are depreciated from the time when they are first put to use over the expected future useful life of the asset.

3. Tangible fixed assets

The movements in tangible fixed assets are as follows:

	Land	Buildings	Other fixed assets	Work in progress	Total
1 January 2016	SRD	SRD	SRD	SRD	SRD
Acquisition cost	20,998,022	13,360,009	991,007	1,135,376	36,484,414
Accumulated depreciation	-	-2,273,939	-549,599	-	-2,823,538
Book value	20,998,022	11,086,070	441,408	1,135,376	33,660,876
Movements 2016					
Investments	-	-	167,340	2,417,962	2,585,302
Revaluation	14,913,629	8,444,254	-	-	23,357,883
Depreciation	-	-356,231	-164,591	-	-520,822
	14,913,629	8,088,023	2,749	2,417,962	25,422,363
31 December 2016					
Acquisition cost	35,911,651	16,543,923	1,158,347	3,553,338	62,427,599
Accumulated depreciation	-	-2,630,170	-714,190	-	-3,344,630
Book value	35,911,651	19,174,093	444,157	3,553,338	59,083,239
Depreciation rates	0	3.33	20-33.3	0	

4. Receivables

Other receivables

	31 December 2016	31 December 2015
	SRD	SRD
Amounts receivable	245,965	179,858
Less: Provision	-	117,372
	245,965	62,486

All receivables have a remaining term of less than one year. The fair value of the receivables approximates the book value, given the short-term character and the fact that if so required provisions for obsolescence have been formed.

5. Cash and cash equivalents

	31 December 2016	31 December 2015
	SRD	SRD
Cash	1,047	272
Banks	607,369	355,982
Suspense account	-	-
	608,416	356,254

6. Equity

General reserve

	31 December 2016	31 December 2015
	SRD	SRD
Balance at 1 January 2016	7.425.147	6.909.063
Addition: result 2015	1.450.154	303.570
Release from revaluation reserve	256.408	212.514
Balance at 31 December 2016	9.131.709	7.425.147

The equity of SVB is entirely at the disposal of the General Members Meeting. No earmarked or designated fund has been formed.

Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings of SVB and is based on valuations of a licensed property surveyor. Changes in value are included in the revaluation reserve. The realized part of the reserve due to annual depreciation of the buildings is released to the general reserve.

The revaluation reserve can be specified as follows:

	31 December 2016	31 December 2015
	SRD	SRD
Balance at 1 January	24.902.254	20.768.649
Revaluation 2016	23.357.883	4.346.119
Less: Release to the general reserve	-256.408	-212.514
Balance at 31 December	48.003.729	24.902.254

7. Current liabilities

7.1 Bank overdraft

Hakrinbank N.V. granted SVB a credit faciltity up to a maximum of SRD 200,000 at an interest rate of 13% per annum. The credit facility has a term of 2 years. As security for this facility a first and second mortgage of respectively SRD 105,000 and SRD 119,000 have been provided on the parcel of land, with all that is thereon, large 3652.54 m^2, situated in Paramaribo at the Letitia Vriesdelaan (formerly Cultuurtuinlaan), forming part of the former plantation Wolfenbuttel and known as the new District Letter B number 262 b 1. of SVB, as well as a personal guarantee by the members of the Board of SVB.

7.2 Other liabilities

	31 December 2016	31 December 2015
Amounts received in advance	SRD	SRD
Deposits	5,425	2,155
Other	739	-
	6,164	2,155
Other current liabilities		
Wage tax and premium AOV	-	3,838
Professional service fees	65,205	26,082
Entertainment tax	5,234	5,234
Other	85,414	75,505
	155,853	110,659

Suriname Football Association

NOTES TO THE STATEMENT OF INCOME AND EXPENSES

Income from its own activities

	2016	2017
Competitions	SRD	SRD
Competition benefits	43,865	34,575
Rent AK stadium	28,100	16,910
Rent Essed stadium	11,725	4,450
	83,690	55,935
Rental of stadiums to third parties		
AK stadium	58,750	31,100
Essed stadium	39,480	36,490
La Fuente Sport Centre	117,053	45,050
	215,313	112,640
Income from related activities		
Bar rental	-	500
Wall advertising	123,128	58,839
Various income and expenses	214,529	281,451
Sponsoring benefits:		
Suribet	120,000	181,000
Digicel	-	66,301
	457,657	588,091
Administrative charges		
Penalties	-	450
Transfer income	22,900	14,125
Other administrative charges	56,410	19,160
Contributions from members	28,138	13,800
	107,448	47,535
Income international competitions	48,795	139,855
Income football competitions		
This concerns the revenue of the competitions in the framework of the SVB league and cup tournament.	27,775	37,675

Suriname Football Association

	2016	2015
Donations and sponsoring	SRD	SRD
Sponsoring business community:		
Self Reliance (EURO 1,100)	-	4,543
Assuria Cup competition	-	12,500
IDOS	-	3,345
SURIBET	10,000	-
Fernandes Bakkerij (EURO 5,000)	-	18,950
Telesur	50,000	-
CONCACAF (USD 20,000 + USD 50,000)	654,330	254,100
Funding Ministry of Sport and Youth Affairs	100,000	125,000
Total donations and sponsoring	814,330	418,438

Other income

FIFA Financial Assistance Program

From FIFA SVB receives funds to support projects. SVB gives account through a separate (financial) report. Below a list of funds disbursed to SVB.

	2016	2015
	SRD	SRD
For submitted projects FIFA has provided an amount of USD 250,000 (2015: USD 249,985) in 2016	1,468,090	882,601
For the submitted projects FIFA has provided an additional of USD 249,980 in 2016	1,847,352	1,765,255
For the "IT project" FIFA has provided an amount of USD 12,485 in 2015	-	44,321
For the "Youth project and youth refree course" in 2016 FIFA has provided an amount of USD 39,884	287,488	-
For the "Women's coaching course" in 2016 FIFA has provided an amount of USD 5,900	37,878	-
For the "Futuro 3" in 2016 FIFA has provided an amount of USD 5,000	36,500	-
As part of World Cup 2016 Women U17 preliminaries FIFA has provided an additional bonus of USD 50,000	-	174,500
As part of World Cup 2018 A-selection preliminaries FIFA has provided an additional bonus of USD 249,985	-	872,448
For the "Coaching Course project" in 2016 FIFA has provided an amount of USD 13,088.	-	46,670
For the "Goal project" in 2016 FIFA has provided an amount of USD 99,897	-	338,600
For the "Owru Cul project" in 2016 FIFA has provided an amount of USD 325,000 (2015: USD 150,000)	1,854,185	612,000
	5,531,493	4,736,395

Suriname Football Association

Expenses from activities

	2016	2015
Competitions/Interlands	SRD	SRD
Compensation arbiters' Top sections	38,974	66,095
Cost youth competition	96,159	89,054
Cost women football competition	129,543	120,840
Cost of competitions and cost of interlands	746,624	640,670
	1,011,300	916,659
Football tournament		
Other cost of football tournament	23,399	41,919
	23,399	41,919
National teams		
Compensation men's national teams	186,639	298,798
Cost of football materials	70,402	178,234
Travel and accommodation expenses men's national teams	1,140,079	650,287
Other cost men's national teams	153,441	304,094
Cost women national teams	8,338	90,613
	1,558,899	1.522.026
Administrative framework and delegations		
Administrative delegation and workshops	38,570	21,177
Receiving foreign guests		
Accommodation- /consumptions cost	10,640	5,173
Transport cost	2,245	-
Other	3,041	2,839
	15,926	8,012
Projects		
Training	87,598	77,860
Project Grassroots	-	22,275
SFA projects	138,667	357,260
Youth projects	44,050	
ICT project	-	46,319
	270,315	503,714

Suriname Football Association

Operating expenses

	2016	2015
Personnel cost	SRD	SRD
Wages and salaries	488,152	374,937
Social security charges	1,382	2,891
Other personnel cost	1,655	14,682*
	491,189	392,510

Average number of employees during the year 2016 on the basis of full-time employment: 20 (2015: 16).

Housing expenses		
Maintenance of land and buildings	487,224	312,784
Repair and maintenance other fixed assets	13,539	15,676
Electricity, water and telephone	97,369	76,398
Other	20,161	17,057
	618,293	421,915
General		
Office expenses	49,846	38,057
Professional service fees	65,205	33,036
Bank charges	20,134	9,481
Advertisement and promotion	14,366	69,891
Representation expenses	49,688	39,648*
Transport and distribution costs	15,830	9,870
Printed material	11,581	20,049
Third party services	259,395	147,529
Contributions	10,297	6,757
Other	50,719	46,732
	547,061	421,050
Depreciation		
Buildings	356,231	298,936
Other fixed assets	164,591	113,701
	520,822	412,637
Financial income and expenses		
Exchange rate result	-435,786	3,867
Interest income	-2,485	-2,944
Interest expenses	21,603	23,868
	-416,668	24,791

*)The comparable figures for 2015 have been adjusted for comparison purposes.

Other information

Appropriation of result for the financial year 2016

The General Members Meeting of April 5, 2017 will decide with regard to the appropriation of the result.