

Oman Football Association

**Financial Statements
31 December 2017**

Registered office

P O Box 1188
Postal Code 132
Sultanate of Oman

Principal place of business

Al Khoudh
Sultanate of Oman

Moore Stephens LLC
2nd floor, Bank Melli Iran Building, CBD
P.O. Box 933, Ruwi, Postal Code 112
Sultanate of Oman

T +968 24812041
F +968 24812043
E stephens@omantel.net.om

www.moorestephens.com

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF OMAN FOOTBALL ASSOCIATION

Opinion

We have audited the accompanying financial statements of Oman Football Association, set out on pages 3 to 15, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in Associations' funds and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 are independent of the Association in accordance with International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), together with the ethical requirements that are relevant to our audit of the Association's financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As detailed in note 2.1 to the financial statements, the Association had a deficiency of funds amounting to RO 2,743,878 at 31 December 2017. Furthermore, the current liabilities at the end of the reporting period exceeded the current assets by RO 2,840,464. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Association's ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis, on the assumption that the Government of the Sultanate of Oman will continue to provide adequate financial support to the Association to enable it to meet its liabilities as they fall due. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of Oman Football Association for the year ended 31 December 2016, were audited by another auditor who expressed an unmodified opinion on those statements on 22 February 2017. However, the audit report included an 'emphasis of matter' paragraph with respect to the going concern assumption underlying the preparation of the financial statements for the year ended 31 December 2016.

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

The Management and the Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF OMAN FOOTBALL ASSOCIATION (Continued)

Responsibilities of Management and the Board of Directors for the Financial Statements (Continued)

In preparing the financial statements, Management and the Board of Directors are responsible for assessing the Association'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 they either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group'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 judgement 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 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 Association'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 Association 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 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.

25 January 2018



JAL Moore Stephens

Oman Football Association
Financial statements for the year ended 31 December 2017

Statement of financial position

| | Note | 2017 RO | 2016 RO |
|---|-------------|--------------------|--------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 5 | 293,767 | 305,938 |
| Current assets | | | |
| Inventories | 6 | 25,030 | 7,813 |
| Accounts and other receivables | 7 | 339,863 | 460,743 |
| Bank balances and cash | 10 | 33,646 | 80,159 |
| Total current assets | | 398,539 | 548,715 |
| Total assets | | 692,306 | 854,653 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Employees' end of service benefits | 15 b) | 197,181 | 74,702 |
| Current liabilities | | | |
| Accounts payable | | 2,104,144 | 2,039,659 |
| Accruals and other payables | 9 | 689,210 | 882,113 |
| Amounts due to related parties | 8 b) and c) | 445,649 | 536,706 |
| Total current liabilities | | 3,239,003 | 3,458,478 |
| Total liabilities | | 3,436,184 | 3,533,180 |
| Net current liabilities | | 2,840,464 | 2,909,763 |
| ASSOCIATION'S FUNDS REPRESENTED BY | | | |
| Deficiency of funds | | (2,743,878) | (2,678,527) |

These financial statements were authorised for issue by the Board of Directors on 25/01/2018 and signed on their behalf by:



Chairman



General Secretary



Finance Director

The attached notes 1 to 17 form part of these financial statements.

Oman Football Association
Financial statements for the year ended 31 December 2017

Statement of comprehensive income

| | Note | 2017 RO | 2016 RO |
|--|------|--------------------|--------------------|
| INCOME | | | |
| Income from Government funds | | | |
| <i>Ministry of Finance:</i> | | | |
| - Regular funds (continuous subsidy) | | 864,426 | 909,469 |
| - Funds for coaches' salaries (continuous subsidy) | | 540,000 | 540,000 |
| - Fund for technical staff salaries (continuous subsidy) | | 475,600 | 504,600 |
| - National team support fund (limited period) | | 2,149,974 | 2,262,000 |
| <i>Ministry of Sports (exceptional subsidy):</i> | | | |
| - Funds to cover for salary increments (Royal decree No.78/2013) | | -- | 136,000 |
| - Special Fund | | 40,000 | 5,000 |
| | | 4,070,000 | 4,357,069 |
| Income from activities | | | |
| <i>FIFA funds :</i> | | | |
| - FIFA – Forward operations project | | 192,000 | 192,000 |
| - FIFA – Forward projects | | 247,946 | 61,807 |
| <i>AFC Funds :</i> | | | |
| - AFC AFAP | | 96,000 | 81,671 |
| - AFC – President funds | | 14,376 | -- |
| - Other income | | 6,804 | 6,876 |
| Sponsorship and marketing | | 1,081,563 | 1,063,211 |
| Sponsorship - Services-in-kind | | 1,230,000 | 1,504,165 |
| Members – subscription fees | | 660 | 615 |
| | | 2,869,349 | 2,910,345 |
| Total income | | 6,939,349 | 7,267,414 |
| EXPENDITURE | | | |
| National teams expenses | 11 | (1,663,429) | (1,586,796) |
| Competitions and activities expenses | 12 | (2,257,604) | (3,095,236) |
| Coaches and referees training expenses | | (42,336) | (123,154) |
| Technical staff salaries and other related costs | 13 | (1,159,966) | (1,534,949) |
| Administrative staff salaries and other related costs | 14 | (1,287,606) | (1,541,624) |
| General and administrative expenses | 15 | (327,526) | (384,231) |
| Allowance for credit losses | 7 b) | (136,000) | (625) |
| Depreciation | 5 | (130,233) | (128,260) |
| | | (7,004,700) | (8,394,875) |
| Net deficit for the year | | (65,351) | (1,127,461) |

Note:

The Association has no items under other comprehensive income

The attached notes 1 to 17 form part of these financial statements.

Oman Football Association
Financial statements for the year ended 31 December 2017

Statement of changes in Association's funds

| | Accumulated deficiency in funds RO |
|----------------------------|--|
| At 31 December 2015 | (1,551,066) |
| Net deficit for the year | (1,127,461) |
| <u>At 31 December 2016</u> | <u>(2,678,527)</u> |
| At 31 December 2016 | (2,678,527) |
| Net deficit for the year | (65,351) |
| <u>At 31 December 2017</u> | <u>(2,743,878)</u> |

The attached notes 1 to 17 form part of these financial statements.

Oman Football Association
Financial statements for the year ended 31 December 2017

Statement of cash flows

| | 2017 RO | 2016 RO |
|--|---------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net deficit for the year | (65,351) | (1,127,461) |
| <i>Adjustments for:</i> | | |
| Depreciation | 130,233 | 128,260 |
| Operating surplus / (deficit) before working capital changes | 64,882 | (999,201) |
| <i>Working capital changes:</i> | | |
| Accounts and other receivables | 120,880 | 177,070 |
| Accounts and other payables | (128,418) | 669,191 |
| Inventories | (17,217) | 64,231 |
| Amounts due to related parties | (91,057) | 224,639 |
| Employees' end of service benefits | 122,479 | (28,410) |
| Net cash generated from operating activities | 71,549 | 107,520 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (118,062) | (74,497) |
| Net (decrease) / increase in cash and cash equivalents during the year | (46,513) | 33,023 |
| Cash and cash equivalents at the beginning of the year | 80,159 | 47,136 |
| Cash and cash equivalents at the end of the year | 33,646 | 80,159 |

The attached notes 1 to 17 form part of these financial statements.

Oman Football Association

Financial statements for the year ended 31 December 2017

Notes to the financial statements

1 ACTIVITIES

Oman Football Association ("the Association") was constituted as a private organization in 1978 and re-established on 26 June 1983 by Ministerial Decree number 41/83. The principal activities of the Association are to develop and improve the game of football, organize all forms of football competitions at the national level, draw-up regulations and provisions, ensure that its members follow the laws of the game implemented by FIFA and control and supervise all friendly football matches (local and international) organized by the Association.

2 BASIS OF PREPARATION AND ADOPTION OF NEW AND AMENDED IFRS

2.1 Going concern

During the year, the Association has a net deficit amounting to RO 65,351 (2016 – RO 1,127,461) and the accumulated deficiency of funds amounted to RO 2,743,878 (2016 – RO 2,678,527). In addition, the current liabilities at the end of the reporting period exceeded current assets by RO 2,840,464 (2016 – RO 2,909,763). However, the financial statements of the Association have been prepared on a going concern basis as the Board of Directors believe that the Government of the Sultanate of Oman will continue to provide adequate financial support, wherever considered necessary to meet all the liabilities as they fall due.

The validity of the assumption of going concern is also dependent upon the Association successfully achieving a reasonable level of income from other sources.

2.2 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the requirements of the Royal Decree number 46 / 2011 (as amended) for private organizations in the field of sports. The financial statements are presented in Omani Rials.

2.3 New and amended IFRS adopted by the Association

The financial statements have been drawn up based on accounting standards, interpretations and amendments effective at 1 January 2017. The Association has adopted the applicable new and revised Standards and Interpretations issued by IASB and IFRIC, which were effective for the current accounting period. The Management believes the adoption of the above and other amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements.

2.4 New and amended IFRS which are in issue but not yet effective

At the end of the reporting period, the following significant new and revised standards were in issue but not yet effective:

- IFRS 15 'Revenue from Contracts with Customers' issued in May 2014 and related 'Clarifications to IFRS 15' issued in April 2016 establish principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard has an effective date of accounting periods beginning on or after 1 January 2018.
- IFRS 9, 'Financial Instruments' issued in July 2014 has an effective date of accounting periods beginning on or after 1 January 2018. IFRS 9 outlines the recognition, measurement and derecognition of financial assets and financial liabilities, the impairment of financial assets and hedge accounting.

The Management believes the adoption of the above and other amendments, which are in issue, but not yet effective is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

Oman Football Association
Financial statements for the year ended 31 December 2017

Notes to the financial statements

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the Management is required to make estimates and assumptions which affect reported income and expenses, assets, liabilities and related disclosures. The use of available information and application of judgements based on historical experience and other factors are inherent in the formation of estimates. Actual results in the future could differ from such estimates. The estimates and assumptions considered by the Management to have significant risk of material adjustment in subsequent years primarily comprise the following:

- appropriateness of preparing the financial statements on a going concern basis as explained in note 2.1 to the financial statements;
- valuation of sponsorship service contracts received in kind;
- estimation for allowance for credit losses; and
- estimation for provision for slow and non-moving inventories.

4 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied in dealing with items considered material to the Association's financial statements.

a) Accounting convention

The financial statements are prepared under the historical cost convention.

b) Income recognition

Subsidies, grants and assistance from the Government and others

The Association receives funds from the Ministry of Finance as part of the Ministry of Sports annual budget, by way of periodic funding towards the Association's recurring expenditure. Additional funds and assistance are also received from the Ministry of Sports, Diwan of Royal Court and others.

Subsidies, grants and, assistance from the Government and others are recognised in accordance with approved annual budgets and actual funds received during the year.

Activities income

Activities income is recognised when the services are delivered, net of discounts, during the year and the amount of the revenue can be estimated reliably.

c) Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses. Following initial recognition at cost, expenditure incurred to replace a component of an item of property and equipment which increases the future economic benefits embodied in the item of property and equipment is capitalised. All other expenditures are recognised in the statement of income as an expense as incurred.

Items of property and equipment are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset is included in the statement of income in the year the item is derecognized.

The estimated useful lives of the assets for the calculation of depreciation are as follows:-

| | Years |
|-------------------------------------|-------|
| Furniture, decoration and equipment | 5 |
| Motor vehicles | 5 |

Notes to the financial statements

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Inventories

Inventories are valued at lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Cost is determined on a first in first out basis.

e) Accounts and other receivable

Accounts receivable originated by the Association are measured at cost. An allowance for credit losses of accounts receivable is established when there is objective evidence that the Association will not be able to collect the amounts due. Indicators that the accounts receivable is impaired include consistent default in the payments when due.

When a receivable is uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

f) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and bank balances; net of temporary bank borrowings, if any.

g) Impairment

Financial assets

At the end of each reporting period, the Management assesses if there is any objective evidence indicating impairment of the carrying value of financial assets or non collectability of receivables. Impairment losses are determined as differences between the carrying amounts and the recoverable amounts and are recognized in the statement of income. The recoverable amounts represent the present value of expected future cash flows discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted.

Non financial assets

At the end of each reporting period, the Management assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Management estimates the recoverable amount of the asset and recognises an impairment loss in the statement of income. The Management also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of income.

h) Employees' end of service benefits

Payment is made to the Government of the Sultanate of Oman's Social Security Scheme as per Royal Decree number 72 / 91 (as amended) for Omani employees. Provision is made for amounts payable under the Sultanate of Oman's Labour Law as per Royal Decree number 35 / 2003 (as amended) applicable to expatriate employees' accumulated periods of service at the end of the reporting period.

i) Accounts and other payable

Liabilities are recognized for amounts to be paid in the future for goods or services received whether or not billed to the Association.

j) Financial liabilities

All financial liabilities are initially measured at fair value and are subsequently measured at amortized cost.

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Financial statements for the year ended 31 December 2017

Notes to the financial statements

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Foreign currencies

Transactions denominated in foreign currencies entered into during the year have been translated into Rials Omani and recorded at the rates of exchange prevailing at the dates of transactions. Foreign currency monetary assets and liabilities at the end of the reporting period are translated at the rates of exchange prevailing at the end of the reporting period. Exchange differences that arise are taken to the statement of comprehensive income.

l) Provisions

A provision is recognized in the statement of financial position when the Association has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

m) Operating leases

The operating lease payments are charged to the statement of comprehensive income on a straight line basis, unless another systematic basis is representative of the time pattern of the benefit.

5 PROPERTY AND EQUIPMENT

| Year 2017 | Furniture, decoration and equipment RO | Motor vehicles RO | Total RO |
|---------------------------|---|----------------------|-------------|
| Cost | | | |
| At 31 December 2016 | 757,200 | 63,430 | 820,630 |
| Additions during the year | 57,062 | 61,000 | 118,062 |
| At 31 December 2017 | 814,262 | 124,430 | 938,692 |
| Depreciation | | | |
| At 31 December 2016 | 451,265 | 63,427 | 514,692 |
| Charge for the year | 118,033 | 12,200 | 130,233 |
| At 31 December 2017 | 569,298 | 75,627 | 644,925 |
| Net book values | | | |
| At 31 December 2017 | 244,964 | 48,803 | 293,767 |
| At 31 December 2016 | 305,935 | 3 | 305,938 |

Oman Football Association
Financial statements for the year ended 31 December 2017

Notes to the financial statements

5 PROPERTY AND EQUIPMENT (Continued)

| Year 2016 | Furniture, decoration and equipment RO | Motor vehicles RO | Total RO |
|---------------------------|---|----------------------|-------------|
| Cost | | | |
| At 31 December 2015 | 682,703 | 63,430 | 746,133 |
| Additions during the year | 74,497 | -- | 74,497 |
| At 31 December 2016 | 757,200 | 63,430 | 820,630 |
| Depreciation | | | |
| At 31 December 2015 | 327,402 | 59,030 | 386,432 |
| Charge for the year | 123,863 | 4,397 | 128,260 |
| At 31 December 2016 | 451,265 | 63,427 | 514,692 |
| Net book values | | | |
| At 31 December 2016 | 305,935 | 3 | 305,938 |
| At 31 December 2015 | 355,301 | 4,400 | 359,701 |

Note:

The Association's head office is situated at a rent-free premise provided by the Ministry of Sports, Sultanate of Oman.

6 INVENTORIES

| | 2017 RO | 2016 RO |
|---|------------|------------|
| Sports utilities and stationery | 52,716 | 27,686 |
| Less: provision for slow moving inventories | (27,686) | (19,873) |
| | 25,030 | 7,813 |

The movements in provision for slow moving inventories are as follows:

| | 2017 RO | 2016 RO |
|------------------------------------|------------|------------|
| At the beginning of the year | 19,873 | 19,873 |
| Provided during the year (note 15) | 7,813 | -- |
| At the end of the year | 27,686 | 19,873 |

7 ACCOUNTS AND OTHER RECEIVABLES

| | 2017 RO | 2016 RO |
|---|------------|------------|
| Accounts receivable | 352,286 | 430,940 |
| Less: Allowance for credit losses [refer note b)] | (167,597) | (31,597) |
| Prepayments and other receivables | 184,689 | 399,343 |
| | 155,174 | 61,400 |
| | 339,863 | 460,743 |

Oman Football Association
Financial statements for the year ended 31 December 2017

Notes to the financial statements

7 ACCOUNTS AND OTHER RECEIVABLES (Continued)

The following further notes apply:

- a) At the end of the reporting period, the ageing analysis of net accounts receivable was as follows:

| | 2017 RO | 2016 RO |
|--|------------|------------|
| <i>Neither past due nor impaired</i> | 14,376 | -- |
| <i>Past due but not impaired</i> | | |
| Debts due between 3 months to 6 months | -- | -- |
| Debts due between 6 months to 1 year | -- | 246,385 |
| Debts due for more than 1 year | 170,313 | 152,958 |
| | 184,689 | 399,343 |

- b) The movement in allowance for credit losses during the year is as follows:

| | 2017 RO | 2016 RO |
|------------------------------|------------|------------|
| At the beginning of the year | 31,597 | 30,972 |
| Established during the year | 136,000 | 625 |
| At the end of the year | 167,597 | 31,597 |

8 RELATED PARTY TRANSACTIONS

- a) The Association enters into transactions in the ordinary course of business with key management personnel (including Board of Directors) and entities in which the key management personnel have control or exercise significant influence. The prices and terms of payment for these transactions are approved by the Board of Directors.
- b) The amounts due to related parties are unsecured, repayable on demand and are not subject to interest (2016 – same terms).
- c) The amounts due to related parties comprise the following:

| | 2017 RO | 2016 RO |
|--------------------------------|------------|------------|
| Amounts due to clubs | 326,129 | 382,971 |
| Amounts due to referees | 77,479 | 105,434 |
| Amounts due to legal committee | 25,750 | 43,508 |
| Amounts due to board members | 16,291 | 4,793 |
| | 445,649 | 536,706 |

- d) The key management personnel compensation for the year comprises:

| | 2017 RO | 2016 RO |
|----------------------------|------------|------------|
| Directors' attendance fees | 21,890 | 18,293 |

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Notes to the financial statements

9 ACCRUALS AND OTHER PAYABLES

| | 2017 RO | 2016 RO |
|--|------------|------------|
| Accrued expenses | 207,255 | 544,670 |
| Provision for leave salary and air passage | 230,167 | 211,077 |
| Deferred revenue | 149,166 | 79,167 |
| Other payables | 102,622 | 47,199 |
| | 689,210 | 882,113 |

10 BANK BALANCES AND CASH

| | 2017 RO | 2016 RO |
|-----------------|------------|------------|
| Bank balances | 32,646 | 69,628 |
| Cash in hand | 1,000 | 531 |
| Bank guarantees | -- | 10,000 |
| | 33,646 | 80,159 |

11 NATIONAL TEAMS EXPENSES

| | 2017 RO | 2016 RO |
|---------------------|------------|------------|
| First national team | 651,997 | 698,029 |
| Olympic team | 402,594 | 300,550 |
| Youth team | 244,592 | 144,031 |
| Junior team | 185,017 | 222,839 |
| Grassroots academy | 30,904 | 91,698 |
| Beach team | 124,807 | 118,908 |
| Women football | 19,682 | 10,741 |
| Futsal team | 3,836 | -- |
| | 1,663,429 | 1,586,796 |

12 COMPETITIONS AND ACTIVITIES EXPENSES

| | 2017 RO | 2016 RO |
|-------------------------|------------|------------|
| Omantel league | 1,184,906 | 1,917,124 |
| First Division league | 240,116 | 251,906 |
| Second Division league | 97,139 | 107,108 |
| Olympic Division league | 116,559 | 152,574 |
| Youth Division league | 129,487 | 143,893 |
| Junior Division league | 92,607 | 142,815 |
| His Majesty Cup | 251,725 | 208,656 |
| Mazda Cup | 135,140 | 157,160 |
| Super Cup | 9,925 | 14,000 |
| | 2,257,604 | 3,095,236 |

Oman Football Association
Financial statements for the year ended 31 December 2017

Notes to the financial statements

13 TECHNICAL STAFF SALARIES AND OTHER RELATED COSTS

| | 2017 RO | 2016 RO |
|---|------------------|------------------|
| Technical staff salaries | 1,080,544 | 1,159,314 |
| Employees' end of service benefits [note 15 a)] | 32,752 | -- |
| Notice period salary paid to French coaches | -- | 209,923 |
| Agent fees for hiring Spanish coaches | -- | 38,049 |
| Other technical staff related costs | 46,670 | 127,663 |
| | <u>1,159,966</u> | <u>1,534,949</u> |

14 ADMINISTRATION STAFF SALARIES AND OTHER RELATED COSTS

| | 2017 RO | 2016 RO |
|---|------------------|------------------|
| Administrative staff salaries | 1,024,691 | 1,089,749 |
| Employees' end of service benefits [note 15 a)] | 89,727 | 41,910 |
| Government Pension share 17.7% [note 15 a)] | 75,712 | 81,978 |
| Government Pension share 17.7% 2013-2015 [note 15 a)] | -- | 190,909 |
| Other administration staff related costs | 97,476 | 137,078 |
| | <u>1,287,606</u> | <u>1,541,624</u> |

15 GENERAL AND ADMINISTRATION

| | 2017 RO | 2016 RO |
|---|----------------|----------------|
| Travelling expenses | 68,717 | 68,325 |
| Vehicle expenses (Mazda) | 82,844 | 79,584 |
| IT maintenance costs | 43,773 | 61,811 |
| Event sponsorship costs (FIFA/Coca-Cola/Oman Oil, etc.) | 24,808 | 38,268 |
| Legal fees | 18,900 | 19,514 |
| Audit fees | 5,235 | 10,000 |
| Utilities | 17,627 | 20,366 |
| Advertisement and promotion | 15,391 | 15,757 |
| Stationery expenses | 9,744 | 23,785 |
| Provision for slow moving inventories (note 6) | 7,813 | -- |
| Miscellaneous | 32,674 | 46,821 |
| | <u>327,526</u> | <u>384,231</u> |

The following further notes apply:

- a) Salaries and employee related costs included under technical staff salaries (note 13) and administration staff salaries (note 14) include the following:

| | 2017 RO | 2016 RO |
|--|----------------|----------------|
| Contributions to defined retirement plan for Omani employees | 75,712 | 272,887 |
| Cost of end of service benefits for expatriate employees | 122,479 | 41,910 |
| | <u>198,191</u> | <u>314,797</u> |

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15 GENERAL AND ADMINISTRATION (Continued)

b) The movement in expatriate employees' end of service benefits liability during the year is as follows:

| | 2017 RO | 2016 RO |
|------------------------------|------------|------------|
| At the beginning of the year | 74,702 | 103,112 |
| Expense for the year | 122,479 | 41,910 |
| Settled during the year | -- | (70,320) |
| At the end of the year | 197,181 | 74,702 |

16 FINANCIAL RISK AND CAPITAL MANAGEMENT

The Association's activities expose it to various financial risks, primarily being, currency risk, credit risk and liquidity risk. The Association's risk management is carried out internally in accordance with the approval of the Board of Directors.

a) Market risk

Currency risk

The Association is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to UAE Dirhams, Euros and US Dollar. As the Omani Rial and UAE Dirham are pegged against the US Dollar, the Management does not believe that the Association is exposed to any material currency risk.

At the end of the reporting period, accounts payable amounting to RO 114,283 (2016 – RO 164,470) are mainly denominated in US Dollars, Euros and UAE Dirhams.

b) Credit risk

Credit risk primarily arises from credit exposures on outstanding receivables and balance maintained with banks. The Association has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all receivables requiring credit over a certain amount. The carrying value of current portion of accounts receivable approximate their fair values due to the short-term nature of those receivables. The credit risk on bank balances is limited as the balances are maintained with reputed financial institutions.

c) Liquidity risk

The Association maintains sufficient bank balances to meet its obligations as they fall due for payment and is therefore not subject to significant liquidity risk. The financial liabilities are expected to be paid within 6 months from the end of the reporting period.

d) Capital management

The Association does not have a fixed capital. The Association's objectives when managing the funds is to enable it to continue as a going concern and to pay liabilities as they fall due. There are no externally imposed capital requirements binding on the Association.

17 COMPARATIVES

Comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in these financial statements.

