

MALTA FOOTBALL ASSOCIATION



**ABBREVIATED ANNUAL REPORT AND ACCOUNTS**

FOR THE YEAR ENDED 31 MARCH 2018

ANNEXE III



# MALTA FOOTBALL ASSOCIATION

## CONTENTS

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	<b>Page</b>
<b>Executive Committee's Responsibilities</b>	1
<b>Independent Auditor's Report</b>	2 - 4
<b>Income and Expenditure Account</b>	5
<b>Balance Sheet</b>	6
<b>Appendices</b>	
<i>Appendix I - Administration</i>	7
<i>Appendix II - Sports Facilities</i>	8
<i>Appendix III - National Teams, Youth and Grassroots Development Expenditure</i>	9
<i>Appendix IV – Domestic Competitions and Assistance to Clubs</i>	10

## **EXECUTIVE COMMITTEE'S RESPONSIBILITIES**

### **MALTA FOOTBALL ASSOCIATION**

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The Executive Committee prepares financial statements for each year, which give a true and fair view of the state of affairs of the Malta Football Association as at the end of the year and of the Association's income and expenditure account for the year. In view of the Executive Committee's decision the financial statements are drawn up in accordance with accounting policies adopted by the Association set out on pages 9 to 13 of the full set of financial statements;

- adopt the going concern basis unless it is inappropriate to presume that the association will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The Executive Committee is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Association and which enable the Executive Committee to ensure that the financial statements comply with the Statute. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The Executive Committee is also responsible for safeguarding the assets of the Association, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALTA FOOTBALL ASSOCIATION

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## ***Report on the Audit of the Financial Statements***

We have audited the abbreviated financial statements of Malta Football Association ('the Association'), set out on pages 5 to 6, which comprise the balance sheet as at 31 March 2018 and the income statement for the year ended 31 March 2018.

## ***Opinion***

"In our opinion, the accompanying financial statements set out on pages 5 to 21 give a true and fair view of the balance sheet of the Association as at 31 March 2018, and of its financial performance for the year then ended in accordance with accounting policies adopted by the Association.

## ***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 the 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 financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance 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.

## ***Other Information***

The Executive Committee is responsible for the other information. The other information comprises the General Information. Our opinion on the financial statements does not cover this information, and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## ***The Executive Committee Responsibility for the Financial Statements***

The Executive Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with accounting policies adopted by the Association, and for such internal control as the Executive Committee 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, the Executive Committee is 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 the Executive Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALTA FOOTBALL ASSOCIATION

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## *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee'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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALTA FOOTBALL ASSOCIATION

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We communicate with the Executive Committee 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## *Report on Other Legal and Regulatory Requirements*

In our opinion, the financial statements have been properly prepared in accordance with the accounting policies adopted by the Association”.

(signed)

Michael Curmi (Partner) for and on behalf of

**VCA, Certified Public Accountants,**

Finance House, First Floor, Princess Elizabeth Street,

Ta' Xbiex, XBX 1102.

12<sup>th</sup> July 2018

# MALTA FOOTBALL ASSOCIATION

## INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	2018 €	2017 €
<b>INCOME</b>	<b>7,596,451</b>	7,955,890
<b>EXPENDITURE</b>		
Direct operating and administrative costs	<b>6,533,438</b>	5,206,614
Depreciation	<b>805,011</b>	944,574
	<b>7,338,449</b>	6,151,188
<b>Surplus of income over expenditure before finance costs</b>	<b>258,002</b>	1,804,702
Finance costs	<b>(471,904)</b>	(508,718)
<b>Excess of expenditure over income/ Surplus of income over expenditure</b>	<b>(213,902)</b>	1,295,984
Accumulated Fund brought forward	<b>632,228</b>	(663,756)
<b>Surplus balance carried forward – page 6</b>	<b>418,326</b>	632,228
	=====	=====



# MALTA FOOTBALL ASSOCIATION

## BALANCE SHEET

AS AT 31 MARCH 2018

	2018 €	2017 €
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	12,262,330	11,737,524
<b>Current Assets</b>		
Inventories	891,135	255,300
Trade and other receivables	3,140,185	3,108,788
Cash and cash equivalents	2,792,778	417,739
	<u>6,824,098</u>	<u>3,781,827</u>
<b>Total Assets</b>	<u>19,086,428</u>	<u>15,519,351</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Accumulated Fund – page 5	418,326	632,228
<b>Non Current Liabilities</b>		
Interest - bearing borrowings	8,136,275	9,636,274
Deferred income	2,849,881	1,517,210
	<u>10,986,156</u>	<u>11,153,484</u>
<b>Current Liabilities</b>		
Interest - bearing borrowings	2,022,460	1,709,691
Trade and other payables	1,371,129	1,629,375
Deferred income	4,288,357	394,573
	<u>7,681,946</u>	<u>3,733,639</u>
<b>Total Equity and Liabilities</b>	<u>19,086,428</u>	<u>15,519,351</u>

These financial statements were authorized for issue by the Executive Committee on the 12<sup>th</sup> July 2018 and signed on its behalf by:

(signed)  
Mr. Norman Darmanin Demajo  
**President**

(signed)  
Mr. Ivan Mizzi  
**Treasurer**

# MALTA FOOTBALL ASSOCIATION

## DETAILED INCOME AND EXPENDITURE - ADMINISTRATION FOR THE YEAR ENDED 31 MARCH 2018

### Appendix I

	2018 €	2017 €
<b>INCOME</b>		
Administration fee	23,000	24,033
FIFA Forward Operational	412,755	572,102
UEFA HatTrick Annual Solidarity	1,565,000	1,565,000
UEFA Referee Convention	100,000	100,000
UEFA Other Income	600,565	334,725
Sponsorships - General	109,308	88,604
Affiliation and other fees	81,232	81,672
Other income	155,426	109,749
	<u>3,047,286</u>	<u>2,875,885</u>
<b>EXPENDITURE</b>		
Administrative salaries	1,007,579	784,797
Allowances to Executive and Council members	23,170	21,070
Presentations, Trophies & Awards	121,865	87,112
Travelling and accommodation	99,131	55,993
Professional fees	39,188	24,987
Referees' convention expenses	207,025	209,153
Advertising and promotion	19,512	21,002
Insurance	41,172	39,821
Printing and stationery	48,033	44,770
Office maintenance	19,558	3,354
Telecommunications	30,606	26,520
Water and electricity	69,417	60,414
Audit fees	3,706	3,706
Awards, ceremonies and refreshments	89,119	60,769
Difference on exchange	45,907	-
Provision for doubtful debts	160,914	(1,688)
General expenses	119,965	96,865
Loss on disposal of non-current assets	-	(5,950)
	<u>2,145,867</u>	<u>1,532,695</u>
<b>Surplus of income over expenditure before depreciation</b>	<b>901,419</b>	<b>1,343,190</b>
Depreciation	(271,281)	(264,449)
<b>Surplus of income over expenditure after depreciation before finance costs</b>	<b>630,138</b>	<b>1,078,741</b>
Finance costs	(53,246)	(89,282)
<b>Surplus of income over expenditure after depreciation after finance costs – page 5</b>	<b>576,892</b>	<b>989,459</b>

# MALTA FOOTBALL ASSOCIATION

## DETAILED INCOME STATEMENT – SPORTS FACILITIES FOR THE YEAR ENDED 31 MARCH 2018

### Appendix II

	2018 €	2017 €
<b>INCOME</b>		
Hire of facilities	38,720	80,361
Bar concessions	82,599	62,592
Advertising	28,414	21,589
Broadcasting rights	10,000	10,000
Car park income	9,834	12,634
Complex income	632,596	690,893
Course fees	75,649	84,402
	<u>877,812</u>	<u>962,471</u>
<b>EXPENDITURE</b>		
Wages and personnel expenses	676,505	603,319
Facilities maintenance	631,750	416,045
Cleaning expenses	34,736	40,264
Rent	19,104	15,741
Printing and stationery	639	1,322
Telecommunication	1,505	1,613
Audit fees	5,411	5,431
Course expenses	45,411	52,815
Sundry expenses	9,742	9,891
Utility costs	65,084	78,396
Equipment rental	5,468	17,116
Consumables	3,967	3,244
Insurance	2,063	3,269
Merchandising cost	59,047	-
	<u>1,560,432</u>	<u>1,248,466</u>
	=====	=====
<b>Excess of expenditure over income before depreciation</b>	<b>(682,620)</b>	<b>(285,995)</b>
Depreciation	(533,730)	(680,125)
<b>Excess of expenditure over income – page 5</b>	<b>(1,216,350)</b>	<b>(966,120)</b>

# MALTA FOOTBALL ASSOCIATION

## DETAILED INCOME STATEMENT - NATIONAL TEAMS, YOUTH AND GRASSROOTS DEVELOPMENT EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2018

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### Appendix III

	2018 €	2017 €
<b>INCOME</b>		
International matches	2,310,064	2,134,024
Sponsorships	75,000	177,671
	<u>2,385,064</u>	<u>2,311,695</u>
<b>EXPENDITURE</b>		
Bonuses and appearance money	188,382	106,195
FIFA / UEFA disciplinary fines	1,200	18,931
Travelling and accommodation – National teams	726,416	489,247
Protocol gifts	1,396	6,336
Kits and training equipment	89,102	135,921
Futsal national team expenses	13,815	18,773
Technical staff	659,002	651,137
Food and beverage	2,336	6,425
Insurance and medical	72,617	84,411
Sundry expenses	5,604	12,746
Maintenance	-	4,176
Match expenses	138,249	82,692
Players sponsorship scheme	4,056	-
	<u>1,902,175</u>	<u>1,616,990</u>
<b>Surplus of income over expenditure – page 5</b>	<u>482,889</u>	<u>694,705</u>

# MALTA FOOTBALL ASSOCIATION

## DETAILED INCOME AND EXPENDITURE – DOMESTIC COMPETITIONS AND ASSISTANCE TO CLUBS

FOR THE YEAR ENDED 31 MARCH 2018

### Appendix IV

	2018	2017
	€	€
<b>INCOME</b>		
Disciplinary fines – club fines and damages	22,357	13,621
Disciplinary fines - others	73,414	42,218
FIFA grant	190,518	-
UEFA HatTrick 4	1,000,000	1,000,000
Government grant	-	750,000
	<u>1,286,289</u>	<u>1,805,839</u>
<b>EXPENDITURE</b>		
Match expenses	84,477	60,545
Ground rental assistance	239,114	200,783
Referees' fees MC and MA	338,159	322,326
Assistance in league/cups	-	43,600
Doping test	38,952	-
Provision for doubtful debts	60,612	-
Capital contribution during the year	163,650	181,209
	<u>924,964</u>	<u>808,463</u>
	=====	=====
<b>Excess of expenditure over income before finance costs</b>	<b>361,325</b>	<b>997,376</b>
	<u>361,325</u>	<u>997,376</u>
Finance costs	(418,658)	(419,436)
	<u>(418,658)</u>	<u>(419,436)</u>
<b>(Excess of expenditure over income)/ Surplus of income over expenditure after finance costs – page 5</b>	<b>(57,333)</b>	<b>577,940</b>
	<u>(57,333)</u>	<u>577,940</u>





**FOOTBALL FOR LIFE**