



MALTA FOOTBALL ASSOCIATION ABBREVIATED ANNUAL ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

MALTA FOOTBALL ASSOCIATION

CONTENTS

	Page
Executive Committee and Responsibilities	1 - 2
Independent Auditor's Report	3 - 5
Income and Expenditure Account	6
Appendices	
<i>Detailed appendix</i>	7

MALTA FOOTBALL ASSOCIATION

EXECUTIVE COMMITTEE AND RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

The Executive Committee as at year end was made up of the following members: -

Chairman

Mr. Bjorn Vassallo (appointed 20 July 2019)
Mr. Norman Darmanin Demajo (end of mandate 20 July 2019)

Deputy Chairman

Mr. Ludovico Micallef

Vice-Presidents

Mr. Alex Manfre (end of mandate 20 July 2019)
Dr. Matthew Paris
Mr. Adrian Casha (appointed 20 July 2019)

Treasurer

Mr. Ivan Mizzi

General Secretary

Dr. Angelo Chetcuti

Secretary

Mr Louis Micallef

Members

Mr. Lawrence Aquilina (appointed 20 July 2019)
Dr. Samuel Azzopardi
Mr. Lino Bartolo
Mr. Godfrey Borg (appointed 20 July 2019)
Mr. Michael Cutajar (end of mandate 20 July 2019)
Mr. Mario Debono (end of mandate 20 July 2019)
Dr. Peter Fenech LL.D (end of mandate 20 July 2019)
Mr. Paul Falzon (end of mandate 20 July 2019)
Mr. George Galea (end of mandate 20 July 2019)
Mr. Chris Grech (end of mandate 20 July 2019)
Dr. Cory Greenland LL.D.
Mr. Claudio Martinelli (appointed 20 July 2019)
Dr. Ian Micallef (appointed 20 July 2019)
Mr. Joseph Micallef
Mr. Raymond Micallef (end of mandate 20 July 2019)
Mr. Chris Muscat (appointed 20 July 2019)
Mr. Marc Sant (end of mandate 20 July 2019)
Mr. Joe Sammut
Mr. Paul Spiteri (appointed 20 July 2019)
Mr. Lawrence Seychell
Mr. Paul Zammit (appointed 20 July 2019)

The members of the board have been appointed by the Clubs and will be eligible for re appointment on the expiration of the term of office.

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 the accounting policies as adopted by the Association. In preparing the financial statements the Executive Committee should;

- 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 judgements 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

Impact of COVID-19 pandemic

The effect of COVID-19 pandemic on the local market occurred towards the end of the Association's financial year end 31 March 2020 . The full implications of the COVID-19 situation are still unknown as at the date of authorisation of these financial statements and the results in this report should be read in the context and alongside the changing global situation.

MALTA FOOTBALL ASSOCIATION

EXECUTIVE COMMITTEE AND RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

The pandemic has severely affected football operations across the world, halting virtually all international, club and domestic competitions. Since the outset of the pandemic, the Association had stressed that the health wellbeing and safety of the players, spectators and all those involved in football as well as the public was the foremost priority. On the 12th of March, the Malta Football Association had temporarily ceased all its operations following discussions and consultations with the health authorities due to the circumstances caused by the outbreak of the virus.

Following the unprecedented disruptions caused by the COVID-19 pandemic the Malta Football Association terminated all football competitions for the season 2019/2020 and since then has resumed national team training in the first week of July and its ancillary operations; swimming pool and clinic in June 2020.

Outlook

The Association is at a period in which it is finalising its strategic plan. Efforts have already been undertaken to adapt the organisational structure to ensure future alignment to the attainment of the objectives set in such plan. In so doing, the Association will seek to realign the allocation of resources towards technical improvement and will limit further investment in capital projects at club level.

This report was approved by the Executive Committee on 16 July 2020 and signed on its behalf by:



Mr. Bjorn Vassallo
President
Obo Executive Committee



Mr. Ivan Mizzi
Treasurer
Obo Executive Committee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MALTA FOOTBALL ASSOCIATION

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Malta Football Association ('the Association'), set out on pages 6 to 7, which comprise the balance sheet as at 31 March 2020 and the income statement for the year ended 31 March 2020.

"In our opinion, the accompanying financial statements set out on pages 6 to 22 give a true and fair view of the balance sheet of the Association as at 31 March 2020, and of its financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Smaller and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming integral part of those Regulations (GAPSME) and have been properly prepared in accordance with the 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 GAPSME and the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MALTA FOOTBALL ASSOCIATION

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.

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. 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, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Association's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the Association's operations and the overall economy.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MALTA FOOTBALL ASSOCIATION

- 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 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.



Michael Curmi (Partner) for and on behalf of
VCA, Certified Public Accountants
Date: 16 July 2020

MALTA FOOTBALL ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	2020 €	2019 €
INCOME	8,903,681	8,368,098
EXPENDITURE		
Direct operating and administrative costs	(9,611,587)	(8,057,270)
Depreciation	(955,251)	(924,938)
	(10,566,838)	(8,982,208)
OTHER INCOME		
Share of profit in joint venture	16,127	-
Excess of expenditure over income before finance costs	(1,647,030)	(614,110)
Finance costs	(33,663)	(24,945)
Excess of expenditure over income after finance costs	(1,680,693)	(639,055)
INVESTMENT IN CLUBS INFRASTRUCTURE		
Grant receivables	4,500,000	1,500,000
Capital contribution during the year	(1,237,106)	(258,999)
Finance costs	(307,074)	(374,032)
	2,955,820	866,969
Surplus of income over expenditure for the year	1,275,127	227,914
Accumulated fund brought forward	646,241	418,327
Surplus balance carried forward – page 7	1,921,368	646,241
	=====	=====

MALTA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	2020 €	2019 €
ASSETS		
Non-Current Assets		
Property, plant and equipment	12,651,044	12,227,872
Investment in joint venture	31,127	15,000
	<u>12,682,171</u>	<u>12,242,872</u>
Current Assets		
Inventories	1,071,666	1,314,298
Trade and other receivables	1,995,516	2,502,652
Cash and cash equivalents	2,515,416	1,843,750
	<u>5,582,598</u>	<u>5,660,700</u>
Total Assets	18,264,769 =====	17,903,572 =====
EQUITY AND LIABILITIES		
Equity		
Accumulated fund – page 6	1,921,368	646,241
Non-Current Liabilities		
Interest - bearing borrowings	4,740,617	7,136,275
Deferred income	3,074,772	2,556,335
	<u>7,815,389</u>	<u>9,692,610</u>
Current Liabilities		
Interest - bearing borrowings	2,222,905	1,600,400
Trade and other payables	2,608,523	1,866,244
Deferred income	3,696,584	4,098,077
	<u>8,528,012</u>	<u>7,564,721</u>
Total Equity and Liabilities	18,264,769 =====	17,903,572 =====

These financial statements were authorised and approved for issue by the Executive Committee on the 16 July 2020 and signed on its behalf by:



Mr. Bjorn Vassallo
President
Obo Executive Committee



Mr. Ivan Mizzi
Treasurer
Obo Executive Committee

MALTA FOOTBALL ASSOCIATION

APPENDICES

FOR THE YEAR ENDED 31 MARCH 2020 – DETAILED INCOME STATEMENT

	2020	2019
	€	€
INCOME		
Gates income - Local	493,372	433,597
Gates income - International	119,596	153,559
FIFA Financial Assistance Programme and other income	707,397	642,698
UEFA HatTrick Annual Solidarity	1,715,928	1,697,350
UEFA Referee Convention	100,000	100,000
UEFA Participation	988,500	1,106,220
Disciplinary fines	103,774	94,066
UEFA Other Income	318,288	171,918
Sponsorship	563,326	292,611
TV Rights	2,509,000	2,500,000
Sports facilities	942,839	939,812
Other income	341,661	236,267
	8,903,681	8,368,098
EXPENDITURE		
Wages and Salaries, bonuses, and appearance money	3,311,403	3,009,540
Travelling and accommodation	1,593,085	1,244,624
Match expenses - International	170,554	101,681
National team other expenses	250,951	306,891
Kits and training equipment	358,137	168,608
Inventory provision and write off	233,911	-
Referees' convention expenses	203,514	298,940
Players sponsorship schemes	53,109	38,430
Advertising and promotion	73,707	69,269
Consumables	47,579	55,670
Maintenance	681,508	477,381
Telecommunications	30,658	36,130
Water and electricity	110,389	153,423
Awards, ceremonies, and refreshments	245,419	123,407
Presentations, trophies & awards	176,464	122,363
Cleaning	29,183	25,437
Rental expenses	20,463	20,463
Course expenses	36,809	21,953
Merchandising costs	17,378	13,803
Insurance and medical	135,140	134,357
Professional fees	113,576	64,372
Audit fees	8,734	8,734
Provision for doubtful debts	(374)	(1,606)
Match expenses - Local	468,988	412,898
Ground rental assistance	304,479	287,828
Referees' fees MC and MA	357,795	344,370
Assistance in league/cups	143,107	158,006
Club schemes	336,670	183,667
Doping test	19,846	82,193
General expenses	79,405	94,438
	9,611,587	8,057,270

