

MALTA FOOTBALL ASSOCIATION

EXTRACT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

(VO/1742)

MALTA FOOTBALL ASSOCIATION

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MALTA FOOTBALL ASSOCIATION

EXECUTIVE COMMITTEE AND RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

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

Chairman

Mr. Bjorn Vassallo

Deputy Chairman

Mr. Ludovico Micallef

Vice-Presidents

Dr. Matthew Paris

Mr. Adrian Casha

Treasurer

Mr. Ivan Mizzi

General Secretary

Dr. Angelo Chetcuti

Secretary

Mr. Louis Micallef

Deputy Secretary

Mr. Matthew Sciberras

Members

Mr. Lawrence Aquilina (end of mandate on 29 July 2020)

Dr. Samuel Azzopardi

Mr. Lino Bartolo (end of mandate on 29 July 2020)

Mr. Godfrey Borg

Dr. Cory Greenland LL.D.

Mr. Claudio Martinelli (end of mandate on 29 July 2020)

Dr. Ian Micallef (end of mandate on 29 July 2020)

Mr. Joseph Micallef

Mr. Chris Muscat (end of mandate on 29 July 2020)

Mr. Joe Sammut

Mr. Paul Spiteri (end of mandate on 29 July 2020)

Mr. Lawrence Seychell (end of mandate on 29 July 2020)

Mr. Paul Zammit (end of mandate on 29 July 2020)

Mr. Victor Cassar (appointed on 29 July 2020)

Mr. George Galea (appointed on 29 July 2020)

Mr. Stefan Vella (appointed on 29 July 2020)

Mr. Raymond Micallef (appointed on 29 July 2020)

Mr. Robert Camilleri (appointed on 29 July 2020)

Mr. Jesmond Abela (appointed on 29 July 2020)

Mr. Chris Grech (appointed on 29 July 2020)

Mr. Francis Muscat (appointed on 29 July 2020)

Mr. Pio Vassallo (appointed on 29 July 2020)

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.

MALTA FOOTBALL ASSOCIATION

EXECUTIVE COMMITTEE AND RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

Impact of COVID-19 pandemic

Following the unprecedented disruptions caused by the COVID-19 pandemic the Malta Football Association had to terminate all football competitions for the season 2019/2020 prematurely. Season 2020/2021 also had its own challenges with the various competitions starting later in the year, with various Covid restrictions including safety measures and testing that disrupted revenue streams and increased its cost base for both its local competitions and for its teams to compete internationally.

Also, measures were introduced, prohibiting all organised sport effective from 11 March 2021 due to the COVID-19 pandemic, the Malta Football Association had to again suspend all football competitions in Malta and Gozo.

In light of the impact caused by the pandemic the Association has considered the impact of the pandemic on the carrying values of its assets and concluded that these are not material to the financial statements.

Outlook

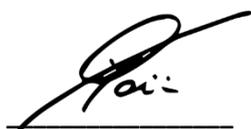
The Association is at this moment in time at the early stages of implementing an agreed strategy which drives the allocation of resources in line with the objectives set therein, primarily stronger emphasis on the sporting/technical side. Going forward, the Association is embarking on reforming its Statutes with the aim of improving decision-making processes. Further to this, the creation of Fondazzjoni Inhobb il-Futbol, with the Association being its sole founder member, will spur efforts in the areas of grassroots and development.

First time adoption of IFRS as adopted by the EU.

During the current financial year, The Malta Football Association changed its status to a Voluntary Organisation (VO/1742) which requires the Executive Committee to prepare and present the Association's financial statements in accordance with International Financial Reporting Standards, as adopted by the EU. The prior year financial statements for the year ended 31 March 2020 were prepared under the GAPSME framework and the date of transition to IFRS as adopted by the EU is 1 April 2020, the start date of this current financial year.

IFRS 1 "First time adoption of International Financial Reporting Standards" stipulates that first time adopters shall apply IFRS retrospectively to prior periods and therefore in addition to the results for the financial year end 2020 presented under GAPSME, the Executive Committee have also prepared and presented the same results and adjustments thereto of financial year end 2020 in accordance with IFRS as adopted by the EU.

This report was approved by the Executive Committee on 9 July 2021 and signed on its behalf by:



Mr. Bjorn Vassallo
President
Obo Executive Committee



Mr. Ivan Mizzi
Treasurer
Obo Executive Committee



CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MALTA FOOTBALL ASSOCIATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Malta Football Association ('the Association'), an extract of which is set out on pages 6 to 7, which comprise the balance sheet as at 31 March 2021 and the income statement for the year ended 31 March 2021.

"In our opinion, the accompanying financial statements set out on pages 6 – 32, give a true and fair view of the balance sheet of the Association as at 31 March 2021, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU 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 International Financial Reporting Standards as adopted by the EU 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: 9 July 2021

MALTA FOOTBALL ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	2021 IFRS €	<i>2020</i> <i>Date of transition</i> €	<i>2020</i> <i>GAPSME</i> €
INCOME	8,561,454	<i>8,903,681</i>	<i>8,903,681</i>
EXPENDITURE			
Direct operating and administrative costs	(8,438,798)	<i>(9,689,148)</i>	<i>(9,611,587)</i>
Depreciation	(975,347)	<i>(968,323)</i>	<i>(955,251)</i>
	(9,414,145)	<i>(10,657,471)</i>	<i>(10,566,838)</i>
OTHER INCOME			
Share of profit in joint venture	8,748	<i>16,127</i>	<i>16,127</i>
Excess of expenditure over income before finance costs	(843,943)	<i>(1,737,663)</i>	<i>(1,647,030)</i>
Finance costs	(257,648)	<i>(51,790)</i>	<i>(33,663)</i>
Excess of expenditure over income after finance costs	(1,101,591)	<i>(1,789,453)</i>	<i>(1,680,693)</i>
INVESTMENT IN CLUBS INFRASTRUCTURE			
Grant receivables	-	<i>4,500,000</i>	<i>4,500,000</i>
Capital contribution during the year	(78,755)	<i>(1,237,106)</i>	<i>(1,237,106)</i>
Finance costs	(130,207)	<i>(307,074)</i>	<i>(307,074)</i>
	(208,962)	<i>2,955,820</i>	<i>2,955,820</i>
Surplus of expenditure over income for the year	(1,310,553)	<i>1,166,367</i>	<i>1,275,127</i>
Accumulated fund brought forward	1,771,432	<i>605,065</i>	<i>646,241</i>
Surplus balance carried forward – page 7	460,879	<i>1,771,432</i>	<i>1,921,368</i>

MALTA FOOTBALL ASSOCIATION

BALANCE SHEET AS AT 31 MARCH 2021

	2021 IFRS €	2020 Date of transition €	2020 GAPSME €
ASSETS			
Non-Current Assets			
Property, plant and equipment	12,135,572	12,651,044	12,651,044
Investment in joint venture	39,875	31,127	31,127
Right of use asset	326,790	339,862	-
	<u>12,502,237</u>	<u>13,022,033</u>	<u>12,682,171</u>
Current Assets			
Inventories	782,699	1,071,666	1,071,666
Trade and other receivables	2,192,549	1,841,363	1,995,516
Cash and cash equivalents	837,777	2,515,416	2,515,416
	<u>3,813,025</u>	<u>5,428,445</u>	<u>5,582,598</u>
Total Assets	<u>16,315,262</u>	<u>18,450,478</u>	<u>18,264,769</u>
EQUITY AND LIABILITIES			
Equity			
Accumulated fund – page 6	460,879	1,771,432	1,921,368
Non-Current Liabilities			
Interest-bearing borrowings	5,941,378	4,740,617	4,740,617
Lease liability	351,401	335,644	-
Deferred income	2,318,215	2,969,201	2,969,201
	<u>8,610,994</u>	<u>8,045,462</u>	<u>7,709,818</u>
Current Liabilities			
Interest-bearing borrowings	2,087,366	2,222,905	2,222,905
Lease liability	2,275	-	-
Trade and other payables	3,103,936	2,608,523	2,608,522
Deferred income	2,049,812	3,802,156	3,802,156
	<u>7,243,389</u>	<u>8,633,584</u>	<u>8,633,583</u>
Total Liabilities	<u>15,854,383</u>	<u>16,679,046</u>	<u>16,343,401</u>
Total Equity and Liabilities	<u>16,315,262</u>	<u>18,450,478</u>	<u>18,264,769</u>

These financial statements were authorised and approved for issue by the Executive Committee on the 9 July 2021 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 2021 – DETAILED INCOME STATEMENT

	2021	<i>2020</i>	<i>2020</i>
	IFRS	<i>Date of transition</i>	<i>GAPSME</i>
	€	€	€
INCOME			
Gates income - Local	-	493,372	493,372
Gates income - International	-	119,596	119,596
FIFA Financial Assistance Programme and other income	1,276,790	707,397	707,397
UEFA HatTrick Annual Solidarity	2,145,000	1,715,928	1,715,928
UEFA Referee Convention	100,000	100,000	100,000
UEFA Participation	65,000	988,500	988,500
Disciplinary fines	81,763	103,774	103,774
UEFA Other Income	237,497	318,288	318,288
Sponsorship	479,361	563,326	563,326
TV Rights	2,504,500	2,509,000	2,509,000
FIFA COVID-19 assistance	995,339	-	-
Sports facilities	398,968	942,839	942,839
Other income	277,236	341,661	341,661
	8,561,454	8,903,681	8,903,681

MALTA FOOTBALL ASSOCIATION

APPENDICES

FOR THE YEAR ENDED 31 MARCH 2021 – DETAILED INCOME STATEMENT

	2021 IFRS €	2020 <i>Date of transition</i> €	2020 GAPSME €
EXPENDITURE			
Wages and Salaries	2,654,304	3,063,923	3,063,923
Player bonuses, allowances and appearance money	488,339	247,480	247,480
Travelling and accommodation	1,067,190	1,593,085	1,593,085
Match expenses - International	114,713	87,269	87,269
National team other expenses	136,621	244,705	244,705
Kits and training equipment	185,774	358,137	358,137
Inventory provision and write off	(182,247)	233,911	233,911
Referees' convention expenses	130,882	203,514	203,514
Players sponsorship schemes	21,600	53,109	53,109
Advertising and promotion	59,851	73,707	73,707
Consumables	51,991	47,579	47,579
Maintenance	667,409	681,508	681,508
Telecommunications	29,789	30,658	30,658
Water and electricity	140,546	110,389	110,389
Awards, ceremonies, and refreshments	175,925	245,419	245,419
Presentations, trophies & awards	67,718	176,464	176,464
Cleaning	21,326	29,183	29,183
Rental expenses	-	-	20,463
Course expenses	20,376	36,809	36,809
Merchandising costs	10,725	17,378	17,378
Insurance and medical	236,617	135,140	135,140
Professional fees	215,956	90,276	90,276
Software licences	133,690	23,300	23,300
Audit fees	8,733	8,734	8,734
Provision for doubtful debts	34,393	(374)	(374)
Match expenses - Local	482,331	558,519	558,519
Ground rental assistance	215,779	304,479	304,479
Referees' fees MC and MA	272,256	357,795	357,795
Assistance in league/cups	-	143,107	143,107
Club schemes	874,060	336,670	336,670
Doping test	234	19,846	19,846
General expenses	128,173	79,405	79,405
Expected credit loss	(26,256)	98,024	-
	8,438,798	9,689,148	9,611,587