



Original

**Floriana F.C.**  
**Annual Financial Report**  
**&**  
**Financial Statements**  
**31 December 2021**

**MFA National Stadium**  
14 APR 2022  
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## **GENERAL INFORMATION**

### **Registration**

Floriana Football Club is registered in Malta with the Malta Football Association.

### **Officials & other Committee Members:**

President: Johann Said (appointed on 6 June 2021)

Secretary: Dione Borg

Treasurer: Edward Hector Spiteri

Other Committee Members:

Shazoo Ghaznavi – Vice-President

Matthew Carbone - CEO

Jordan Camilleri – Director of Medical Affairs

Mario Galea – Director of Nursery

Karl Azzopardi – Director of Commercial Affairs

Stefan Sammut – Director of Communications

Jacques Grima – Assistant General Secretary

Calvin Sammut – Assistant Treasurer

**Club Address:** Floriana Football Club  
No 2, Misrah San Publju,  
Floriana, FRN 1443, Malta

**Bankers Address:** Bank of Valletta plc  
58, Zachary Street,  
Valletta, VLT 1130, Malta

**Auditors:** Mr. Marco Bajada,  
16, Crustacea, Triq il-Fanali,  
Santa Venera, SVR 1153, Malta

## **COMMITTEE MEMBERS' REPORT**

The Committee Members submit their annual report and the audited financial statements for the year ended 31 December 2021.

### **Principal activity**

Floriana Football Club is constituted in accordance with the rules and regulations of the Malta Football Association and observes the rules, regulations, and decisions of the Malta Football Association as well as those of the Fédération Internationale de Football Association (FIFA) and of the Union des Associations Européennes de Football (UEFA).

### **Results**

The statement of comprehensive income is set out on page 9.

### **Review of the year**

The Club incurred a loss of €137,296 during the year under review.

### **Committee Members**

During the year ended 31 December 2021, the Committee Members were as listed on page 3.

### **Statement of Committee Members' responsibilities**

In terms of the licensing regulations applicable to Premier Division member clubs, the Club is to prepare financial statements for each financial period which give a true and fair view of the financial position of the Club as at the end of the financial year and of the profit or loss for that year.

In preparing the financial statements, the Club is required to: -

- adopt the going concern basis unless it is inappropriate to presume that the Club will continue to function;
- 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 year on the accrual basis;
- value separately the components of asset and liability items;
- report comparative figures corresponding to those of the preceding accounting year; and
- prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.



**COMMITTEE MEMBERS' REPORT - continued**

**Statement of Committee Members' responsibilities (continued)**

The Committee Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Club. This responsibility includes designing, implementing and maintaining 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. They are also responsible for safeguarding the assets of the Club and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Going Concern**

After making due enquiry and using the best judgment available at the time of approving these financial statements, an impact assessment has been carried out by the Committee Members. Based on this review, the Committee is of the opinion that it remains appropriate to adopt the going concern basis in the preparation of these financial statements even though the Club has a negative net asset position due to the financial support from the President.

**Auditors**

Mr. Marco Bajada has expressed his willingness to continue in office and a resolution for his re-appointment will be proposed at the Annual General Meeting.

The Committee Members' report was approved by the members and was signed on its behalf by:

  
\_\_\_\_\_  
Johann Said (President)

  
\_\_\_\_\_  
Edward Hector Spiteri (Treasurer)

  
\_\_\_\_\_  
Dione Borg (Secretary)

Date: 13/4/2022

**INDEPENDENT AUDITOR'S REPORT****To the members of Floriana Football Club****Opinion**

I have audited the financial statements of Floriana Football Club ("the Club"), which comprise the statement of financial position as of 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Club as of 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

**Basis for Opinion**

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibility under those standards is further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Club in accordance with the ethical requirements of both the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my 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 I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Material uncertainty related to Going Concern**

I draw attention to Note 3 in the financial statements, which indicates that the Club incurred a net loss of €137,296 during the year ended 31 December 2021, and as of that date, the Club's current liabilities exceeded its total assets by €446,004. As noted in Note 3, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Club's ability to continue as a going concern. My opinion is not modified in respect of this matter.

**Other Information**

The Committee Members are responsible for the other information. The other information comprises the general information and the Committee Members' report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT (continued)**

**To the members of Floriana Football Club**

**Other Matter**

The financial statements of Floriana Football Club for the year ended 31 December 2020, were audited by another auditor. I had to rely on the previous signed audited financial statements as to the correctness of the reported amounts. Balances not properly measured may have considerable effect on operational results of subsequent periods.

The audit report on these financial statements for the year end 31 December 2020 issued on 6 June 2021 was unmodified.

**Responsibilities of the Committee Members**

The Committee Members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, 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.

In preparing the financial statements, the Committee Members are responsible for assessing the Club'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 Club or to cease operations, or have no realistic alternative but to do so.

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

My 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 my 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee Members.

**Floriana Football Club**  
**Annual Financial Statements for the year ended 31 December 2021**

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**INDEPENDENT AUDITOR'S REPORT (continued)**

**To the members of Floriana Football Club**

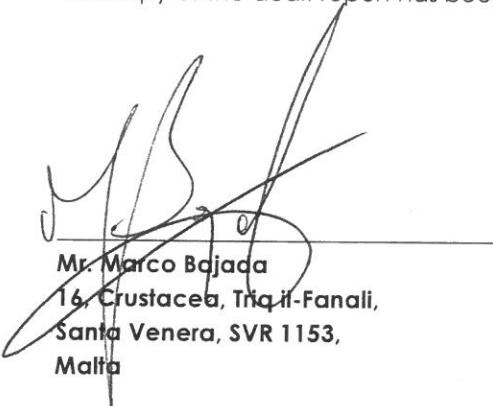
**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Committee Members' 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 Club's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern; and
- 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.

I also provide those charged with governance with a statement that I 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 my experience, and where applicable, related safeguards.

I communicate with the Committee Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during our audit.

This copy of the audit report has been signed by:



Mr. Marco Bajada  
16, Crustacea, Triq il-Fanali,  
Santa Venera, SVR 1153,  
Malta

13 April 2022

Floriana Football Club  
Annual Financial Statements for the year ended 31 December 2021

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**STATEMENT OF COMPREHENSIVE INCOME**


	Notes	2021 €	2020 €
Income	4	<b>853,655</b>	1,622,167
Expenditure	5	<b>(990,951)</b>	(1,314,207)
<b>Operating (loss)/profit</b>		<b>(137,296)</b>	307,960
Interest payable and similar charges	7	-	(116,134)
Other comprehensive income		-	-
<b>Total comprehensive (loss)/profit for the year</b>		<b>(137,296)</b>	<b>191,826</b>


**Floriana Football Club**  
**Annual Financial Statements for the year ended 31 December 2021**

**STATEMENT OF FINANCIAL POSITION**

	Notes	2021 €	2020 €
<b>Non-current assets</b>			
Intangible assets	9	<b>28,250</b>	29,000
Property, plant and equipment	10	<b>77,777</b>	80,062
		<b>106,027</b>	109,062
<b>Current assets</b>			
Receivables	11	<b>16,753</b>	1,576
Cash at bank and in hand	14	<b>66,747</b>	52,452
		<b>83,500</b>	54,028
<b>TOTAL ASSETS</b>		<b>189,527</b>	163,090
<b>ACCUMULATED FUNDS AND LIABILITIES</b>			
<b>Accumulated fund and surplus</b>			
Accumulated losses	15	<b>(446,004)</b>	(308,708)
<b>Total equity</b>		<b>(446,004)</b>	(308,708)
<b>Non-current liabilities</b>			
Other liabilities	12	<b>164,555</b>	97,220
		<b>164,555</b>	97,220
<b>Current liabilities</b>			
Trade and other liabilities	13	<b>470,976</b>	374,578
		<b>470,976</b>	374,578
<b>Total liabilities</b>		<b>635,531</b>	471,798
<b>TOTAL ACCUMULATED FUND AND LIABILITIES</b>		<b>189,527</b>	163,090

The financial statements on pages 9 to 30 have been authorised for issue by the Committee Members and signed on their behalf by:

  
 Johann Said  
 (President)

  
 Edward Spiteri  
 (Treasurer)

  
 Dione Borg  
 (Secretary)

Date: 13 April 2022

Floriana Football Club  
Annual Financial Statements for the year ended 31 December 2021

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**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated fund €</b>	<b>Total €</b>
<b>Financial period ended 31 December 2020</b>		
Balance at 01 January 2020	(494,088)	(494,088)
Prior year adjustment	(6,446)	(6,446)
Total comprehensive income for the year Profit for the financial year	191,826	191,826
<b>Balance at 31 December 2020</b>	<b>(308,708)</b>	<b>(308,708)</b>
<b>Financial year ended 31 December 2021</b>		
Balance at 01 January 2021	(308,708)	(308,708)
Total comprehensive income for the year Loss for the financial year	(137,296)	(137,296)
<b>Balance at 31 December 2021</b>	<b>(446,004)</b>	<b>(446,004)</b>

**Floriana Football Club**  
**Annual Financial Statements for the year ended 31 December 2021**

**STATEMENT OF CASH FLOWS**

	2021	2020
Note	€	€
<b>Cash flows from operating activities</b>		
Net income/(loss) before tax	<b>(137,296)</b>	191,826
Adjustments for:		
Prior year adjustment		(6,446)
Depreciation of tangible fixed assets	<b>2,285</b>	2,285
Amortisation of player registration costs	<b>25,750</b>	27,500
Interest payable	-	8,775
	<b>(109,261)</b>	223,940
Operating profit/(loss) before working capital changes	<b>(109,261)</b>	223,940
(Increase)/Decrease in receivables	<b>(15,177)</b>	86,394
Increase/(Decrease) in payables	<b>131,469</b>	(197,077)
	<b>7,031</b>	113,257
Cash generated from operations	<b>7,031</b>	113,257
Interest payable	-	(8,775)
<b>Net cash from operating activities</b>	<b>7,031</b>	104,482
Cash flows from investing activities		
Players registration costs	<b>(25,000)</b>	(8,000)
<b>Net cash used in investing activities</b>	<b>(25,000)</b>	(8,000)
Cash flows from financing activities		
Loan Borrowings	<b>32,264</b>	(45,795)
<b>Net cash from/(used in) financing activities</b>	<b>32,264</b>	(45,795)
<b>Net movement in cash and cash equivalents</b>	<b>14,295</b>	<b>50,687</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>52,452</b>	<b>1,765</b>
<b>Cash and cash equivalents at end of year</b>	<b>66,747</b>	<b>52,452</b>

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## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ACCOUNTING CONVENTION AND BASIS OF PREPARATION**

These financial statements are prepared in accordance with the provisions of licensing Regulations for Premier Division member clubs and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

These financial statements are prepared under the historical cost convention, unless otherwise disclosed in the relevant accounting policy.

These financial statements are presented in Euro (€) which is the Club's functional currency.

#### **New or revised standards, interpretations, and amendments adopted**

Several new or revised standards, interpretations and amendments were in issue and endorsed by the EU but are not yet effective for the current financial year. The Club has not early adopted the new or amended standards in preparing these financial statements. The Committee members anticipate that the adoption of the new standards, interpretations, or amendments thereto, will not have a material impact on the financial statements upon initial application.

#### *New standards, interpretations and amendments not yet effective*

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Club has decided not to adopt early, if applicable.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **1. ACCOUNTING CONVENTION AND BASIS OF PREPARATION (continued)**

after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The Club is currently assessing the impact of these new accounting standards and amendments. The Club will assess the impact of the final amendments to IAS 1 on classification of its liabilities once those are issued by the IASB. The Club does not believe that the amendments to IAS 1, in their present form, will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

*New standards, interpretations and amendments effective for the year*

The following are new standards, interpretations, or amendments, effective as from 1 January 2021:

- Interest rate benchmark Reform phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16); and
- Covid-19 related rent concessions beyond 30 June 2021 (Amendments to IFRS 16).

*Interest rate benchmark Reform phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16)*

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2021.

*Covid-19 related rent concessions beyond 30 June 2021 (Amendments to IFRS 16)*

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the Covid-19 pandemic.

Rent concessions that satisfy set criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concessions meet the definition of a lease modification.

These new standards, interpretations, or amendments, do not apply for the Club's financial statements.

### **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Club and the revenue can be reliably measured, at an amount that reflects the consideration to which the Club is expected to be entitled when performance obligation is satisfied in a manner

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Revenue recognition (continued)**

that depicts the transfer of control over the goods or services promised to the customer. A performance obligation may be satisfied either at a point in time or over time.

The consideration relates to the transaction price [or a portion of the transaction price] allocated to each performance obligation as defined in the contract with the customer.

The transaction price reflects discounts, rebates, refunds, and other allowances granted to customers and excludes sales tax, if any.

The transaction price may include variable consideration and time value of money. Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events.

Variable consideration subject to a measurement constraint is initially recognised as a deferred revenue and is recognised only as revenue when it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

The following specific recognition criteria must also be met before revenue is recognised:

- *gate receipts are recognised over the period of the season.*
- *marketing, sponsorship and advertising are recognised over the duration of the respective contracts.*
- *broadcasting rights are taken in proportion to the number of matches played.*
- *merchandising and catering are recognised on an earned basis.*
- *football related rental income is recognised over the duration of the contract.*
- *donations and other third-party contributions are recognised on a cost basis.*
- *interest income is recognised as the interest accrues unless collectability is in doubt.*

#### **Foreign currencies**

Transactions in foreign currencies are converted into euro at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet date. All resulting differences are taken to the profit and loss account.

#### **Intangible assets**

##### *Player registration costs*

Player registration costs are recognised as an asset to the extent that it is expected that such players will be utilised throughout their contract period.

Player registration costs [including agent and other directly attributable costs] are amortised on a straight-line basis over the period of their contract.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Intangible assets (continued)**

At each statement of financial position date, the club assesses whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated, impairment is passed through the profit and loss. Internally generated intangible assets are held at nil value.

Internally generated assets are held at nil value. Any costs (including, but not necessarily limited to agent and other directly attributable costs) incurred in extensions to player's original contract are capitalised and amortised over the period of the extended contract.

Gains and losses on sale of players are determined by reference to their carrying amount and are taken into account in determining the profit on ordinary activities.

#### **Property, plant and equipment**

##### *Recognition and measurement*

Property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. An item of property, plant and equipment is initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of tangible fixed assets only if it enhances the economic benefits of an asset in excess of the previously assessed standards of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, an item of property, plant and equipment is carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses.

##### *Depreciation*

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each period is recognised in profit or loss.

Land is not depreciated. The rates of depreciation used for other items of tangible fixed assets are the following:

	%
Office equipment	4
Furniture & fixtures	4
Improvements to buildings	4
Silverware	Nil

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment (continued)

##### *Depreciation method, useful life and residual value*

The depreciation method applied, the residual value and the useful life are reviewed on a regular basis and when necessary, revised with the effect of any changes in estimate being accounted for prospectively.

##### *Derecognition of property, plant and equipment*

On disposal of an item of property, plant and equipment, the cost and related accumulated depreciation and impairment losses, if any are derecognised and the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

#### Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Club becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognised when they are extinguished, discharged, cancelled, or expire.

##### Financial assets

Financial assets are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income; and
- Financial assets at fair value through profit or loss.

##### Financial assets at amortised cost

Financial assets at amortised costs are financial assets that are held within the business model whose objective is to collect contractual cash flows ("hold to collect") and the contractual terms give rise to cash flows that are solely payments of principal and interest.

On initial recognition, financial assets at amortised cost are recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Discounting is omitted where the effect of discounting is immaterial. Trade receivables without a significant financing component are measured at the transaction price as a practical expedient.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Financial Instruments (continued)**

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method less impairment losses, if any. Gain or losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

#### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise of:

- Equity instruments not held-for-trading, which the Club elected to classify irrevocably as equity instruments designated at fair value through OCI at initial recognition; and
- Debt instruments held within the business model whose objective is to collect contractual cash flows and to sell the financial assets ("hold to collect and sell") and the contractual terms give rise to cash flows that are solely payments of principal and interest.

On initial recognition, FVOCI are measured at fair value plus transaction costs. Subsequently, these are remeasured to fair value at each reporting date with fair value changes recognised in OCI.

Interest income, foreign currency revaluations, and impairments or reversals on debt instruments at FVOCI are recognised in profit or loss. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Dividends (except return of investment) on equity instruments at FVOCI are recognised in profit or loss when the right of payment has been established. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is reclassified to retained earnings, and never recycled to profit or loss.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss (FVTPL) include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

On initial recognition, these are measured at fair value and transaction costs are charged to profit or loss. Subsequently, these are remeasured at fair value with fair value changes recognised in profit or loss. Dividends are recognised in profit or loss when the right of payment has been established.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Financial Instruments (continued)**

##### *Impairment of financial assets*

The club recognises an allowance for expected credit losses (ECLs) on financial assets that are measured at amortised cost. Equity instruments are not subject to impairment assessment.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

The Club considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Club may also consider a financial asset to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

For certain assets, the Club applies a simplified approach to measuring ECLs which recognises lifetime ECLs on these financial assets are estimated using a provision matrix based on the Club's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

##### *Financial Liabilities*

Financial liabilities are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- Financial liabilities at amortised cost; and
- Financial liabilities at fair value through profit or loss.

##### *Financial liabilities at amortised cost*

Financial liabilities at amortised cost are initially recognised at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method. All interest-related charges under the interest amortisation process are recognised in profit or loss.

On derecognition, the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognised in profit or loss.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Financial Instruments (continued)**

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss (FVTPL) are financial liabilities that are held for trading and/or financial liabilities that are designated at initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities at FVTPL are initially recognised at and subsequently measured at fair value with fair value changes recognised in profit or loss.

##### *Offsetting of financial assets and financial liabilities*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### **Cash and cash equivalents**

Cash in hand and at banks and short-term deposits which are held to maturity are carried at cost.

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash in hand and deposits at banks, net of outstanding bank overdrafts.

#### **Leases**

The Club assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

##### *Right-of-use*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.



## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Leases (continued)**

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Club expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

#### *Lease Liability*

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

#### **Impairment of non-financial assets**

The Club's non-financial and financial assets are tested for impairment.

#### *Non-financial assets*

The carrying amounts of the Club's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Impairment of non-financial assets (continued)**

The carrying amounts of Club's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in profit or loss, unless they relate to an asset which is carried at a revalued amount, in which case they are treated as a revaluation increase unless an impairment loss on the same asset was previously recognised in profit or loss.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost or cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost/cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

#### **Related Parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

#### **Events after the reporting period**

Post year-end events that provide additional information about the Club's financial position at the end of reporting period (adjusting events) are recognised in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**3. Going Concern**

During the year ended 31 December 2021 the Club incurred a net loss of €137,296 (2020: net profit €191,826). As of that date, the Club's total liabilities exceeded its total assets by €446,004 (2020: €308,708). These financial statements have been prepared on going concern basis which assumes that the Club will continue as a going concern in the foreseeable future. The validity of this assumption is dependent on the President's, Mr. Johann Said, commitment to continue to provide financial support to the Club. On this basis the Committee Members considers it appropriate to prepare the financial statements on the going concern basis.

**4. INCOME**

Income attributable to the football activity and ancillary items is as follows:-

	<b>2021</b>	<b>2020</b>
<b>Commercial</b>		
Membership Fees	<b>6,160</b>	8,120
<b>Income from disposal of player registrations (including loan income)</b>		
Transfer Fees	<b>2,300</b>	-
<b>Other/Non-Split</b>		
Gate receipts	<b>3,616</b>	
Commercial		
	Leasing of bar	12,776
	Nursery	41,593
Solidarity & Prize Money	-	1,123,988
	UEFA solidarity & participation Payment	
	MFA Income	30,985
Donations and Sponsorships	<b>3,750</b>	195,000
<b>Other Income</b>	<b>464,898</b>	
Other commercial net income	<b>341,769</b>	209,705
	<b>853,655</b>	<b>1,622,167</b>

NOTES TO THE FINANCIAL STATEMENTS - continued

5. EXPENDITURE

The (loss)/profit is stated after charging:

	2021	2020
	€	€
<b><u>Cost of Sales/Materials</u></b>		
Memberships	1,025	6,624
Kits	2,893	3,010
Medical expenses	9,542	8,261
Overseas travel and accommodation	20,928	85,344
Transport	21,179	22,527
Work permit and visas	1,122	-
<b><u>Other/Non-Split</u></b>		
Other operating expenses		
Players' wages and salaries including NI	451,932	641,242
Other staff salaries including NI	163,917	132,947
Accommodation (foreign players)	107,085	73,156
Fines	6,143	5,000
Nursery (excluding salaries and wages)	4,434	41,021
<b><u>Others</u></b>		
Telecommunications	354	313
Miscellaneous Expenses	1,024	2,877
MFA Expenses	7,617	8,028
Other operating expenses	61,314	99,329
<b><u>Cost of acquiring player registrations (including non-capitalised agent fees and loan fees)</u></b>		
Agents' fees	4,500	51,904
<b><u>Match expenses</u></b>	<b>48,050</b>	<b>18,935</b>

**Floriana Football Club**  
**Annual Financial Statements for the year ended 31 December 2021**

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**NOTES TO THE FINANCIAL STATEMENTS - continued**

**5. EXPENDITURE (continued)**

	<b>2021</b>	<b>2020</b>
	€	€
<b><u>Expenses of Non-Football</u></b>		
<b><u>Operations</u></b>		
Office expenses	<b>7,366</b>	26,564
Audit fees	<b>2,500</b>	2,500
Professional fees	<b>26,338</b>	22,675
<b><u>Property &amp; Facilities expenses</u></b>		
Repair and maintenance	<b>492</b>	14,341
Water and Electricity	<b>11,114</b>	17,824
<b>Finance expenses</b>		
Bank charges	<b>2,047</b>	-
<b>Amortisation of intangible fixed assets (player registrations)</b>	<b>25,750</b>	27,500
<b>Depreciation of Tangible Fixed Assets</b>	<b>2,285</b>	2,285
	<b>990,951</b>	<b>1,314,207</b>

**6. STAFF COSTS**

The staff costs incurred during the year was as follows:

	<b>2021</b>	<b>2020</b>
	€	€
Wages and salaries – players	<b>430,647</b>	617,400
Wages and salaries – others	<b>156,877</b>	128,818
Social security costs	<b>26,989</b>	27,971
	<b>614,513</b>	774,189

The average number of persons employed by the Club during the year was 26.

NOTES TO THE FINANCIAL STATEMENTS - continued

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	€	€
On bank loans	-	8,775
On bank charges	-	3,478
Other interests	-	103,051
Exchange rate variance	-	830
	<u>-</u>	<u>116,134</u>

8. INCOME TAX

Floriana Football Club is exempt from tax in terms of section 12(1) of the Income Tax Act.

9. INTANGIBLE ASSETS

	Player registration costs €	Total intangible assets €
<b>Year ended 31 December 2021</b>		
Opening net book amount	29,000	29,000
Additions	25,000	25,000
Disposals	-	-
Amortisation for the year	(25,750)	(25,750)
Impairment of assets	-	-
<b>Closing net book amount</b>	<b><u>28,250</u></b>	<b><u>28,250</u></b>
<b>At 31<sup>st</sup> December 2021</b>		
Cost	93,000	93,000
Accumulated amortisation	(64,750)	(64,750)
<b>Net book amount</b>	<b><u>28,250</u></b>	<b><u>28,250</u></b>
<b>At 31<sup>st</sup> December 2020</b>		
Cost	472,899	472,899
Accumulated amortisation	(443,899)	(443,899)
<b>Net book amount</b>	<b><u>29,000</u></b>	<b><u>29,000</u></b>

During the year under review fully depreciated player registration costs amounting to €404,899 were written off from the books.

NOTES TO THE FINANCIAL STATEMENTS - continued

9. PLAYER IDENTIFICATION TABLE

	Date of Birth	Start Date of Contract	End Date of Contract	Cost of Registration	Amortisation at 01 Jan 2021	Amortisation for the year	Amortisation at 31 Dec 2021	Disposal (cost)	Disposal (amortisation)	Closing book value	net value
				€	€	€	€	€	€	€	€
Financial year ended 31/12/21											
Ryan Camenzuli	08.09.1994	01.07.2019	30.04.2022	30,000	(20,000)	(10,000)	(30,000)	-	-	-	-
Jan Busuttli	06.03.1999	01.07.2019	30.04.2023	38,000	(19,000)	(9,500)	(28,500)	-	-	9,500	9,500
Owen Spiteri	02.11.2002	21.07.2021	30.04.2025	25,000	-	(6,250)	(6,250)	-	-	18,750	18,750
<b>Balance at 31 Dec 2021</b>				<b>93,000</b>	<b>(39,000)</b>	<b>(25,750)</b>	<b>(64,750)</b>			<b>28,250</b>	<b>28,250</b>

Floriana Football Club  
Annual Financial Statements for the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS - continued

10. PROPERTY, PLANT & EQUIPMENT

	Office equipment & furnishings	Silverware	Buildings & improvements	Furniture & fittings	Total
	€	€	€	€	€
<b>Year ended 31 December 2021</b>					
Opening net book amount	3,255	41,768	32,273	2,766	80,062
Depreciation charge	(202)	-	(1,927)	(156)	(2,285)
<b>Closing net book amount</b>	<b>3,053</b>	<b>41,768</b>	<b>30,346</b>	<b>2,610</b>	<b>77,777</b>
<b>At 31 December 2021</b>					
Cost	5,039	41,768	48,169	3,899	98,875
Accumulated depreciation	(1,986)	-	(17,823)	(1,289)	(21,098)
<b>Net book amount</b>	<b>3,053</b>	<b>41,768</b>	<b>30,346</b>	<b>2,610</b>	<b>77,777</b>
<b>At 31 December 2020</b>					
Cost	5,039	41,768	48,169	3,899	98,875
Accumulated depreciation	(1,784)	-	(15,896)	(1,133)	(18,813)
<b>Net book amount</b>	<b>3,255</b>	<b>41,768</b>	<b>32,273</b>	<b>2,766</b>	<b>80,062</b>



NOTES TO THE FINANCIAL STATEMENTS (continued)

11. RECEIVABLES

	2021	2020
	€	€
Other receivables	15,177	-
Prepayments	1,576	1,576
	<u>16,753</u>	<u>1,576</u>

12. OTHER LIABILITIES

	2021	2020
	€	€
<b>Falling due after one year</b>		
Amounts owed to third parties (note i)	6,000	6,000
Amount owed to related parties (note ii)	38,164	5,900
FSS and social security contributions	120,391	85,320
	<u>164,555</u>	<u>97,220</u>

Note I: The amounts due to the following third parties are unsecured, interest free, and do not have a fixed repayment date.

	2021	2020
	€	€
Mr. Charles Farrugia	1,500	1,500
Ms. Davinia Sammut Hilli	4,500	4,500
	<u>6,000</u>	<u>6,000</u>

Note II: The amounts due to the following related parties are unsecured, interest free, and do not have a fixed repayment date.

	2021	2020
	€	€
Mr. Johann Said	30,331	-
Mr. Matthew Carbone	2,833	-
Mr. Karl De Flavia	5,000	5,000
Mr. Frank Agius	-	900
	<u>38,164</u>	<u>5,900</u>



**Floriana Football Club**  
**Annual Financial Statements for the year ended 31 December 2021**

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**NOTES TO THE FINANCIAL STATEMENTS - continued**

**13. TRADE AND OTHER LIABILITIES**

	2021	2020
	€	€
<b>Falling due within one year</b>		
Creditors in relation to player transfers	<b>18,000</b>	-
Other creditors	<b>196,027</b>	160,278
Indirect taxes	<b>186,038</b>	185,110
FSS and social security contributions (note 1)	<b>57,811</b>	16,068
Accruals and deferred income	<b>13,100</b>	13,122
	<b>470,976</b>	374,578

Note 1: Floriana Football Club has signed agreements with the Inland Revenue Department to settle outstanding FSS and Social Security Contributions in monthly instalments. The total amount of SSC within one year amounts to €57,811.

Instalments falling due after one year are disclosed under note 12.

**14. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash in hand and balance with banks. Cash and cash equivalents included in the cash flow statement reconcile to the statement of financial position amounts as follows:

	2021	2020
	€	€
Cash at bank and in hand	<b>60,786</b>	52,109
Bank balance – Nursery	<b>5,961</b>	343
	<b>66,747</b>	52,452

**15. Accumulated losses**

Accumulated losses represent the sum of profits and losses over the years.

**16. MINIMUM DISCLOSURES**

These financial statements include the minimum disclosure requirements in accordance with current licence regulations. Where amounts relating to such minimum disclosures were nil, no disclosure was made in the financial statements.



M A L T A F O O T B A L L A S S O C I A T I O N

## **INCOME AND EXPENDITURE ACCOUNT**

**for the Financial Year Jan-Dec 2021**

**Floriana Football Club Nursery**

<b>Contents</b>	<b>Page</b>
Income Account	1
Expenditure Account	2



# MALTA FOOTBALL ASSOCIATION

## Income Account

For the season ended 31 December, 2021

Page 1

### Floriana Football Club Nursery

INCOME	2021	2020
	€	€
Membership Fees	9870	30048
Transfer Fees		
Donations & Voluntary Contributions		
Lease of Bar		
UEFA Subsidies	3750	3750
Fund Raising Activities		
Income from Advertising	4890	5970
Sponsorships	1825	1825
Merchandising		

### OTHER INCOME:

Sponsorship (MFA)		
-		
-		
-		
-		
-		
-		
-		
-		
-		
-		
<b>TOTAL INCOME</b>	20335	41593



# MALTA FOOTBALL ASSOCIATION

## Expenditure Account

For the season ended 31 December, 2021

Page 2

### Floriana Football Club Nursery

EXPENDITURE	2021	2020
	€	€
Affiliation Fees and Other Dues		
Transfer Fees	500	
Coaches & Technical Staff	14396	14600
Overseas Travel & Accommodation		
Medical Expenses		
Transport		
Printing and Stationery	-	1050
Kits, Footballs & Equipment etc.	1107	22371
Repairs & Maintenance		
Telephones & Fax		
Ground Maintenance Expenses	2827	3000
Rent of Premises		
Water & Electricity		
Depreciation		
<b>TOTAL EXPENDITURE</b>	<b>18830</b>	<b>41021</b>

**TOTAL INCOME (From Page 1)**  
Excess Income over Expenditure  
Excess Expenditure over Income

(20335-18830)  
= 1505

(41593-41021)  
= 572