

Birkirkara F.C.

Annual Financial Report

&

Financial Statements

31 December 2021

MFA National Stadium

14 APR 2022

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CONTENTS

Pages

General Information	3
Committee Members' Report	4 - 5
Independent Auditor's Report	6 - 8
Income Statement	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 28

GENERAL INFORMATION

Registration

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

Officials & other Committee Members:

President:

Mr. Michael Valenzia

Secretary:

Mr. Colin Bason

Treasurer:

Mr. Nicholas Grima

Other Committee Members:

Mr. Joseph Licari

Mr. Christopher Micallef (Assistant secretary)

Mr. Henry Bray (Assistant treasurer)

Mr. Franklin Cortis

Mr. John Borg

Mr. John Carmel Borg

Mr. Gordon Spiteri

Club Address:

3, Birkirkara Football Club
Old Church Street
Birkirkara

Bankers Address:

Bank of Valletta plc
Pama Shopping Village
Mosta

Auditors:

RJV Audit Limited
193, Ursuline Sister Street
Pieta, PTA 1222

COMMITTEE MEMBERS' REPORT

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

Principal activity

Birkirkara 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 income statement is set out on page 9.

Review of the year

The Club generated a profit of Eur172,847 during the year under review. As at year end, the club had net accumulated funds of Eur592,749.

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 period and of the profit or loss for that period.

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 period on the accrual basis;
- value separately the components of asset and liability items;
- report comparative figures corresponding to those of the preceding accounting period; and
- prepare the financial statements in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME").

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

Auditors

RJV Audit Limited have expressed their willingness to continue in office and a resolution for their 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
(according to Club statute):



Mr. Michael Valenzia (President)



Mr. Nicholas Grima (Treasurer)



Mr. Colin Bason (Secretary)

Date: 13 April 2022



RJV Audit Limited

Audit Assurance Services

Raymond J. Vella B.A. (Hons) Accty., FIA., CPA
Certified Public Accountant - Managing Director

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INDEPENDENT AUDITOR'S REPORT

To the members of Birkirkara Football Club

Opinion

We have audited the financial statements of Birkirkara Football Club ("the Club"), which comprise the balance sheet as at 31 December 2021, and the income statement, statement of changes in equity and cash flows statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Club as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME").

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 Club 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 Committee Members are responsible for the other information. The other information comprises the general information and the Committee Members' report. Our opinion on the financial statements does not cover the other 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.



RJV Audit Limited

Audit Assurance Services

INDEPENDENT AUDITOR'S REPORT (continued)

To the members of Birkirkara Football Club

Responsibilities of the Committee Members

The Committee Members are responsible for the preparation and fair presentation of the financial statements in accordance with GAPSME, 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

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 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;



RJV Audit Limited

Audit Assurance Services

INDEPENDENT AUDITOR'S REPORT (continued)

To the members of Birkirkara 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 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 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.

We 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 we identify during our audit.

Raymond J Vella CPA
Director
For and on behalf of
RJV Audit Limited

13 April 2022

INCOME STATEMENT

	Notes	2021 €	2020 €
Income	3	1,150,787	1,206,945
Expenditure	4	<u>(1,147,981)</u>	<u>(1,467,699)</u>
Operating profit/(loss)		2,806	(260,754)
Waiver of interest on loan due to Club's ex- President		-	27,385
Other income	3	58,000	64,286
COVID-19 supplements		119,227	110,531
Interest payable and similar charges	6	(7,186)	(35,058)
Profit/(loss) for the year		<u>172,847</u>	<u>(93,610)</u>


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

BALANCE SHEET

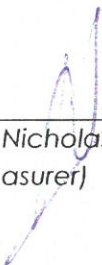
At 31 December

	Notes	2021 €	2020 €
Non-current assets			
Intangible assets	8	32,141	105,228
Tangible fixed assets	10	63,060	66,407
Investment property	11	2,000,000	1,596,800
		<u>2,095,201</u>	<u>1,768,435</u>
Current assets			
Property held for resale	12	804,000	804,000
Receivables	13	10,341	95,893
Cash and cash equivalents	17	37,005	7,683
		<u>851,346</u>	<u>907,576</u>
TOTAL ASSETS		<u>2,946,547</u>	<u>2,676,011</u>
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated fund and surplus			
Accumulated fund		(515,966)	(688,813)
Revaluation Reserve		1,108,715	702,315
		<u>592,749</u>	<u>13,502</u>
Total accumulated funds		<u>592,749</u>	<u>13,502</u>
Non-current liabilities			
Interest bearing borrowings	14	29,819	1,445,357
Trade and other liabilities	15	1,906,785	288,481
		<u>1,936,604</u>	<u>1,733,838</u>
Current liabilities			
Interest bearing borrowings	14	44,930	42,412
Trade and other liabilities	16	372,264	886,259
		<u>417,194</u>	<u>928,671</u>
Total liabilities		<u>2,353,798</u>	<u>2,662,509</u>
TOTAL ACCUMULATED FUND AND LIABILITIES		<u>2,946,547</u>	<u>2,676,011</u>


The financial statements on pages 9 to 28 have been authorised for issue by the Committee Members and signed on their behalf by:



Mr. Michael Valenzia
(President)



Mr. Nicholas Grima
(Treasurer)



Mr. Colin Bason
(Secretary)

Date: 13 April 2022

STATEMENT OF CHANGES IN EQUITY

	Revaluation reserve €	Accumulated fund €	Total €
Financial year ended 31 December 2020			
Balance at 01 January 2020	602,315	(595,203)	7,112
Surplus on revaluation of investment property	100,000	-	100,000
Loss for the financial year	-	(93,610)	(93,610)
Balance at 31 December 2020	702,315	(688,813)	13,502
Financial year ended 31 December 2021			
Balance at 01 January 2021	702,315	(688,813)	13,502
Surplus on revaluation of investment property	406,400	-	406,400
Profit for the financial year	-	172,847	172,847
Balance at 31 December 2021	1,108,715	(515,966)	592,749

STATEMENT OF CASH FLOWS

	2021	2020
Note	€	€
Cash flows from operating activities		
Net income/(loss) before taxation	172,847	(93,610)
Adjustments for:		
Depreciation of tangible fixed assets	6,547	6,547
Amortisation of intangible assets	27,993	61,412
Increase in provision for doubtful debts	-	100,000
Loss/(Profit) on sale of players	50,094	(65,945)
Interest payable	7,186	35,058
	<u>264,667</u>	<u>43,462</u>
Operating profit before working capital changes	264,667	43,462
Decrease in debtors	85,552	188,076
Decrease in creditors	(191,852)	(31,760)
	<u>158,367</u>	<u>199,778</u>
Net cash from operating activities		
Cash flows from investing activities		
Players registration costs	(5,000)	-
Purchase of tangible assets	-	(50,000)
Proceeds from sale of players	-	83,001
	<u>(5,000)</u>	<u>33,001</u>
Net cash (used in)/from investing activities		
Cash flows from financing activities		
Interests paid	(7,186)	(35,058)
Long term advances from Club's ex-President	(73,121)	(67,608)
Amounts repaid in respect of bank loans	(43,719)	(123,884)
	<u>(124,026)</u>	<u>(226,550)</u>
Net cash used in financing activities		
Net movement in cash and cash equivalents		
	29,341	6,229
Cash and cash equivalents at beginning of year		
	7,664	1,435
Cash and cash equivalents at end of year		
17	<u>37,005</u>	<u>7,664</u>

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 the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME").

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.

2. SIGNIFICANT ACCOUNTING POLICIES

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangibles assets

Player registration costs

Player registration costs are recognised only if it is probable that the expected future economic benefits that are attributable to the player registration will flow to the Club and the cost of the player registration can be measured reliably. Player registration costs are initially measured at cost, and comprise the player's purchase price and any directly attributable costs, including agents' fees.

Player registration costs are subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write down the carrying amount of the registration costs on a straight-line basis over the period of the player's contract.

At each balance sheet date, the Club assesses whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated, and if impairment is identified, such impairment is recognised through profit and loss.

Gains and losses on sale of players are determined by reference to their carrying amount and are accounted for through the income statement.

Tangible fixed assets

Recognition and measurement

A tangible fixed asset 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. Tangible fixed assets are 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, tangible fixed assets are 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

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

	%
Furnishings and office equipment	10
Equipment	10
Club buildings and improvements	3

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. During the year under review, the premises are being disclosed in these financial statements as assets available for sale in view of the Club's committed plan to sell.

Derecognition of property, plant and equipment

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses arising from derecognition represent the difference between the net proceeds (if any) and the carrying amount and are included in profit or loss in the period of derecognition.

Investment property

Investment property is property (land and buildings) held to earn rentals or for capital appreciation or both, but not for sale in the ordinary course of business, or for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the club and the cost can be measured reliably. Investment property is initially measured at cost, comprising its purchase price and any directly attributable costs. After initial recognition, investment property held by the Club is carried under the fair value model, that is at their fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses with changes in fair value above the historical cost of the investment property being recognised in a separate component of equity under the heading of revaluation reserve. Land is not depreciated.

Revaluations are made for the entire class of the immovable property at least every five years or with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using the fair value at the reporting date. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

NOTES TO THE FINANCIAL STATEMENTS - continued

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment property (continued)

Depreciation is calculated to write off the cost of investment property over the estimated useful life at the following rate:

Building	2% per annum
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Receivables

Receivables (including amounts owed by related parties) are recognised and carried at original amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

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.

Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received and including acquisition charges associated with the borrowing/loan. Borrowing costs are recognised as an expense in the period in which they are incurred.

Trade and other payables

Liabilities for trade and other amounts payable, including amounts owed to related parties, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Club.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment

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.

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.

Financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

NOTES TO THE FINANCIAL STATEMENTS - continued

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3. INCOME

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

	2021	2020	
	€	€	
Commercial			
Membership Fees	10,650	310	
National competitions participation & prize money	-	2,400	
UEFA Nations League participation money	-	16,775	
Income from disposal of player registrations (including loan income)			
Transfer Fees	10,597	3,900	
(Loss)/Profit on disposal of intangible fixed assets (player registrations)	(50,094)	65,945	
Contributions/Donations from related parties			
Donation from Club's ex- President	390,000	824,053	
Donations and voluntary contributions	5,285	29,959	
Other/Non-Split			
Gate receipts	4,903	10,000	
Commercial			
	Women's Team	80,150	56,290
	Nursery	96,998	155,651
Solidarity & Prize Money	UEFA solidarity & participation Payment	3,750	3,050
Advertising and sponsorships	130,800	38,612	
MFA Development pot	3,000	-	
Net UEFA Champions League receipts	464,748	-	
Total income	1,150,787	1,206,945	
Other Income			
Rental income	58,000	48,000	
Waiver of credit balances	-	16,286	
Total other income	58,000	64,286	

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

NOTES TO THE FINANCIAL STATEMENTS – continued

4. EXPENDITURE

	2021	2020
	€	€
<u>Cost of Sales/Materials</u>		
Direct competition expenditure	14,681	26,539
Other football related expenditure	43,532	87,889
<u>Other/Non-Split</u>		
Other operating expenses	754,486	740,959
Players' wages and salaries including NI		
<u>Cost of acquiring player registrations (including non-capitalised agent and loan fees)</u>		
Agents' fees	6,500	-
<u>Expenses of Non-Football Operations</u>		
Administration and professional fees	13,340	9,291
Audit fees	2,950	2,950
Car rentals	27,089	28,418
Club fines	15,927	-
Interest on claims	260	18,184
Travelling	-	8,793
Miscellaneous expenses	702	148
Compensation fee	-	4,508
Disputed claims	-	19,100
Write off of related party balance	-	53,165
Provision for doubtful balances	-	100,000
<u>Property & Facilities expenses</u>		
Women's team	56,910	46,310
Women's team staff salaries including NI	5,980	6,500
Nursery	60,534	129,681
Nursery staff salaries including NI	27,435	26,980
Rent and insurance	76,629	86,684
Water and Electricity	4,800	3,142
<u>Finance expenses</u>		
Bank charges	1,686	499
<u>Amortisation of intangible fixed assets (player registrations)</u>		
	27,993	61,412
<u>Depreciation of tangible fixed assets</u>		
	6,547	6,547
Total Expenditure	1,147,981	1,467,699

NOTES TO THE FINANCIAL STATEMENTS - continued

5. STAFF COSTS

The staff costs incurred during the year was as follows:

	2021	2020
	€	€
Wages and salaries – players	637,227	714,885
Wages and salaries – others	124,572	33,480
Social security costs	26,102	26,074
	<u>787,901</u>	<u>774,439</u>

The average number of persons employed by the Club during the year was 27 full-time and 20 part-time (2020: 18 full-time and 20 part-time).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	€	€
On bank loans	7,186	7,673
On bank charges	1,686	499
On loan to the Club's ex-President	-	27,385
	<u>-</u>	<u>27,385</u>

7. INCOME TAX

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

NOTES TO THE FINANCIAL STATEMENTS - continued

8. INTANGIBLE ASSETS

	Player registration costs €
At 31 December 2020	
Cost	242,500
Accumulated amortisation	(137,272)
Net book amount	105,228
Year ended 31 December 2021	
Opening net book amount	105,228
Additions	5,000
Disposals	(132,500)
Amortisation for the year	(27,993)
Release on disposal	82,406
Closing net book amount	32,141
At 31 December 2021	
Cost	115,000
Accumulated amortisation	(82,859)
Net book amount	32,141

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

NOTES TO THE FINANCIAL STATEMENTS - continued

9. PLAYER IDENTIFICATION TABLE

Financial year ended 31/12/2021	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 net book value
				€	€	€	€	€	€	€
Andrew Hogg	02/03/1985	28/01/2019	17/06/2021	60,000	36,000	-	-	(60,000)	(36,000)	-
Johann Bezzina	30/05/1994	10/01/2019	16/08/2021	40,000	18,460	-	-	(40,000)	(18,460)	-
Enrico Pepe	12/11/1989	15/06/2019	31/05/2022	35,000	23,832	11,168	35,000	-	-	-
Yannick Yankam	12/12/1997	05/08/2019	31/05/2024	75,000	31,034	15,517	46,551	-	-	28,449
Isaac Ntow	26/05/1994	26/06/2019	31/08/2021	2,500	1,262	-	-	(2,500)	(1,262)	-
James Brincat	03/12/1996	17/08/2016	16/08/2021	30,000	26,684	-	-	(30,000)	(26,684)	-
Jed Valletta	20/08/2003	01/07/2021	30/05/2024	5,000	-	1,308	1,308	-	-	3,692
Balance at 31 Dec 2021				247,500	137,272	27,993	82,859	(132,500)	(82,406)	32,141

During the year under review the following players were sold at the profit/ (loss) as stated below:

	€
Andrew Hogg	Released 17/06/2021 (24,000)
Johann Bezzina	Released 16/08/2021 (21,540)
Isaac Ntow	Released 31/08/2021 (1,238)
James Brincat	Released 10/05/2021 (3,316)
Total for year	(50,094)

NOTES TO THE FINANCIAL STATEMENTS - continued

10. TANGIBLE FIXED ASSETS

	Buildings & improvements €	Equipment €	Furnishing and Office equipment €	Total €
Year ended 31 December 2021				
Opening net book amount	63,680	2,727	-	66,407
Depreciation charge	(2,009)	(1,338)	-	(3,347)
Closing net book amount	61,671	1,389	-	63,060
At 31 December 2021				
Cost	80,354	13,383	16,661	110,398
Accumulated depreciation	(18,683)	(11,994)	(16,661)	(47,338)
Net book amount	61,671	1,389	-	63,060
At 31 December 2020				
Cost	80,354	13,383	16,661	110,398
Accumulated depreciation	(16,674)	(10,656)	(16,661)	(43,991)
Net book amount	63,680	2,727	-	66,407

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. INVESTMENT PROPERTY

	Land €	Buildings €	Total €
At 1 January 2021	1,440,000	156,800	1,596,800
Increase in fair value	400,000	-	400,000
Depreciation charge	-	(3,200)	(3,200)
Elimination of depreciation upon revaluation	-	6,400	6,400
At 31 December 2021	<u>1,840,000</u>	<u>160,000</u>	<u>2,000,000</u>

The investment property were revalued on 23 March 2021 and 7 March 2022 based on an independent architect's valuation.

12. PROPERTY HELD FOR RESALE

	2021 €	2020 €
At 1 January	804,000	-
Re-classification from investment property at fair value	-	804,000
At 31 December	<u>804,000</u>	<u>804,000</u>

13. RECEIVABLES

	2021 €	2020 €
Dues in relation to player transfers	-	27,917
Prepayments and accrued income	10,341	67,976
Other debtors (note 13.1)	-	-
	<u>10,341</u>	<u>95,893</u>

Note 13.1: Other debtors are stated net of provision for bad debts amounting to €100,000 (2020: €100,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. INTEREST BEARING BORROWINGS

	2021	2020
	€	€
Falling due after more than one year		
Loan from Club's ex-President (note 15)	-	1,369,282
Bank loans	29,819	76,075
	29,819	1,445,357
Falling due within one year		
Bank loans	44,930	42,394
Bank overdraft	-	18
	44,930	42,412
Total borrowings	44,930	1,487,769

The bank overdraft and bank loans are secured by the club's premises and by letter of undertaking. The bank loans are repayable by quarterly instalments of Eur10,020 and Eur1,980 respectively each inclusive of interest, in line with prior year.

The average interest rates on the Club's borrowings were as follows:

	2021	2020
	%	%
Loan from Club's ex-President	-	2
Bank overdraft	9.25	9.25
Bank loan	5.65	5.65

Maturity of borrowings following due after more than one year:

	2021	2020
	€	€
Between 1 to 2 years	29,819	1,435,457
Between 2 and 5 years	-	9,900
Total borrowings	29,819	1,445,357

NOTES TO THE FINANCIAL STATEMENTS - continued

15. OTHER LIABILITIES

	2021	2020
	€	€
Falling due after one year		
Amounts owed to committee members (Note 15.1)	364,892	-
Amounts owed to third parties (Note 15.1)	71,000	-
Amounts owed to Club's ex-President (Note 15.2 and Note 18)	1,296,161	
Indirect tax and social security contributions	174,732	288,481
	<u>1,906,785</u>	<u>288,481</u>

Note 15.1: Amounts due to related parties and third parties are unsecured, interest free and not repayable within the next twelve months.

Note 15.2: Amount due to the Club's ex-president, previously disclosed as non-current liabilities under note 14, was unsecured, had an interest rate of 2% and not repayable on demand. The amount due to the Club's ex-president was re-stated to 'other liabilities' during the year under review since no interest is chargeable.

16. TRADE AND OTHER LIABILITIES

	2021	2020
	€	€
Falling due within one year		
Creditors in relation to player transfers	24,000	43,000
Accrued players' wages and staff salaries	-	157,950
Amounts owed to committee members	-	328,000
Other creditors	15,698	164,789
Indirect tax and social security contributions	96,305	79,507
Accruals and deferred income	236,261	113,013
	<u>372,264</u>	<u>886,259</u>

17. 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 balance sheet amounts as follows:

	2021	2020
	€	€
Cash at bank and in hand	37,005	7,683
Bank overdrawn account	-	(19)
	<u>37,005</u>	<u>7,664</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

18. RELATED PARTIES

Loans from Committee Members

As at year ended 31 December 2021, the club had outstanding loans payable to committee members as follows: Mr. Nicholas Grima Eur259,962, Mr. Colin Bason Eur92,000 and Mr Michael Valenzia for the amount of Eur12,930. All these loans bear no interest and are not repayable within twelve months (in 2020, these were repayable upon demand).

The outstanding balance on the loan balances due to committee members is shown within other liabilities in Note 15.

Loans from related parties

As at year ended 31 December 2021, the club had an outstanding loan payable to the Club's ex-President Mr. Frank Zarb for the amount of Eur1,296,161. This amount is unsecured, did not bear interest for the current financial year (in 2020, the loan carried interest of 2% per annum), and has no fixed date for repayment. The outstanding balance on this loan is shown with interest bearing borrowings as disclosed in Note 14.

19. IMPACT OF THE COVID -19 PANDEMIC

In March 2020, the Malta Football Association proactively suspended all domestic competitions in the interest of public health in view of the declared outbreak of a coronavirus (COVID-19) pandemic.

The football matches for the season 2020/2021 recommenced subject to adherence to Government guidelines issued. On this basis, the championship league for season 2021/2022 has resumed with League matches being played at least as of the date of signing this financial report.

20. 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

Birkirkara Women's Team

Contents	Page
Income Account	1
Expenditure Account	2

MFA National Stadium

14 APR 2022

No: 21267

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MALTA FOOTBALL ASSOCIATION

Income Account

For the season ended 31 December, 2021

Page 1

Birkirkara Women's Team

INCOME	2021	2020
	€	€
Membership Fees	0	0
Transfer Fees	0	1000
Donations & Voluntary Contributions	200	600
Lease of Bar	0	0
UEFA Subsidies	66000	45000
Fund Raising Activities	0	0
Income from Advertising	0	0
Sponsorships	10000	500
Merchandising	0	0

OTHER INCOME:

Sponsorship (MFA)	3950	4990
Sportmalta	0	4200
-		
-		
-		
-		
-		
-		
-		
-		
TOTAL INCOME	80150	56290



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

Birkirkara Football Nursery

Contents	Page
Income Account	1
Expenditure Account	2



MALTA FOOTBALL ASSOCIATION

MFA National Stadium

14 APR 2022

Income Account
For the season ended 31 December, 2021

No: 21267

Page 1

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Birkirkara Football Nursery

INCOME	2021	2020
	€	€
Registration Fees	48,637.50	51,056.00
Deposit on kit	15.00	330.00
MFA Grant	1,500.00	-
Transfer Fees	350.00	1,150.00
Income from transport	-	1,023.00
Donations & Voluntary Contributions	486.00	2,302.40
Lease of Bar	8,990.00	8,220.00
Pitch hire	19,725.00	20,375.00
Refund on agreement for maintenance and W&E	2,450.11	3,734.66
Fund Raising Activities	220.00	6,102.73
Sponsorships	6,520.00	600.00
UEFA Subsidies	-	7,550.40
MFA Ball boys income	-	168.00
MFA Financial Assistance - COVID19	-	1,500.00
Grants	-	3,581.60
Refund Dana Cup	191.14	-
Summer Training Camp	6,813.00	-
Physio tests	345.00	-
Income from Overseas Travel & Accommodation	-	46,456.95
Insurance claim	-	1,500.00
Misc.	765.00	
TOTAL INCOME	96,997.75	155,650.74



MALTA FOOTBALL ASSOCIATION

Expenditure Account For the season ended 31 December, 2021

Page 2

Birkirkara Football Nursery

EXPENDITURE	2021	2020
	€	€
Transfer Fees	1,000.00	7,200.00
Coaches & Technical Staff salaries taxed	27,435.00	26,979.75
Administrative fees	2,059.48	1,107.93
Transport	270.00	3,220.00
Kits, Footballs & Equipment etc.	1,215.35	6,757.76
Telephones & Fax	93.01	357.41
Ground Maintenance Expenses	43,018.20	44,865.36
Rent of Premises	3,200.00	3,090.00
Water & Electricity	3,661.87	7,207.89
YFA Contribution	160.00	-
Fund Raising Activities	1,100.00	1,352.90
Ballboys coordinator allowance	168.00	144.00
Organisation of tournament/local friendlies	1,652.55	914.40
Insurance	519.50	1,493.45
COVID19 related costs	254.02	858.52
Small pitch	100.00	-
Summer school 2021	930.00	-
Petty cash	300.00	-
Donations & Gifts	-	1,035.00
Overseas Travel & Accommodation	-	34,518.86
Refunds on Dana Cup (cancelled)	191.14	-
Refund on Sunderland Training Camp (cancelled)	-	8,182.21
Refund on U12 Spain Training Camp (cancelled)	-	2,440.06
Misc.	911.14	560.00



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

Depreciation	-	4,374.27
TOTAL EXPENDITURE	87,969.26	156,659.77

TOTAL INCOME (From Page 1)

Excess Income over Expenditure

9,028.49