

HIBERNIANS FC
Annual Financial Report
&
Financial Statements
31 December 2022

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GENERAL INFORMATION

Registration

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

Officials & other Committee Members:

President: Mr Ranier Bezzina

Secretary: Mr Stephen Abela

Treasurer: Mr Andre Camilleri

Other committee members:

Mr David Abdilla – Vice President

Mr Alex Montebello – Vice President

Mr Stefan Zahra – Assistant Secretary /PRO

Mr Godwin Attard – Member

Mr Owen Fiteni – Member

Mr. Antoine Ellul – Member

Mr Mr. Charlot Pace –Member

Mr Victor Ellul – Member

Mr Keith Glanville -Member

Mrs Charmaine Ellul - Member

Mr Daren Lynch – Assistant PRO

Mr Jesmond Abela – Team Manager

Club Address:

158 Antoine de Paule Square, Paola PLA 02, Malta

Bankers Address:

Bank of Valletta Plc, Racecourse Street, Marsa, Malta

Auditor:

Joseph C Schembri FCCA, FIA, CPA of Ville Michel, Apartment 404, Triq Wied Ta' Ruman, Mellieha.

COMMITTEE MEMBERS' REPORT

The committee members submit their annual report and the audited financial statements for the year ended 31 December 2022.

Principal activity

Hibernians 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's total income during the year amounted to €1,638,289. After deducting all operating and finance costs, the Club achieved a net profit for the year amounted to €2,387. The gain for the year is stated after accounting for the loss incurred by the Hibernians Nursery amounting to €29,396 and a further loss on Women's Team of €10,147.

Committee members

During the year ended 31 December 2022, 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 balance sheet 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 judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accrual basis; 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.

Auditor

Joseph C Schembri FCCA, FIA, CPA 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



Mr. Ranier Bezzina (President)



Mr. Andre Camilleri (Treasurer)



Mr. Stephen Abela (Secretary)

12 April 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Hibernians Football Club

I have audited the financial statements of Hibernians Football Club ("the Club"), set out on pages 9 to 26, which comprise the statement of financial position as of 31 December 2022, and 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 financial statements give a true and fair view of the financial position of the Club as of 31 December 2022, 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 responsibilities under those standards are further described in the Auditors' 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 (including International Independence Standards) (IESBA Code) and the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the IESBA Code and the Code of Ethics for Warrant Holders in Malta. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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 Hibernians 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 IFRSs as adopted by the EU, 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.

The Committee Members are responsible for overseeing the Club's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives is 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 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 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.

INDEPENDENT AUDITOR'S REPORT (continued)
To the members of Hibernians 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 our 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 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 my audit.



Joseph C Schembri

**Ville Michel, Apartment 404,
Triq Wied Ta' Ruman,
Mellieha MLH 4020
Malta**

12 April 2023

INCOME STATEMENT

	Notes	2022 €	2021 €
Income	3	1,638,289	1,075,384
Expenditure- Operating Costs	4	(1,624,516)	(1,086,125)
Operating Profit/(Loss)		13,773	(10,741)
Bank Interest	6	(11,386)	(10,333)
Profit /(Loss) for the Year		2,387	(21,074)
		=====	=====
Total Comprehensive Income/(Loss)		2,387	(21,074)
		=====	=====

The notes on pages 13 to 26 form an integral part of these financial statements.

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2022

BALANCE SHEET

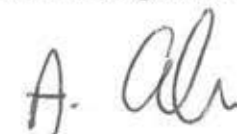
At 31 December


	Note	2022 €	2021 €
Fixed assets			
Intangible assets	8	22,000	39,000
Tangible fixed assets	9	1,900	3,073
Investment	10	5,100	5,100
		<u>29,000</u>	<u>47,173</u>
Current assets			
Receivables	11	8,400	45,830
Cash at bank and in hand	15	55,572	16,476
		<u>63,972</u>	<u>62,306</u>
Total Assets		<u>92,972</u>	<u>104,379</u>
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated Losses		(1,655,410)	(1,657,797)
Reserves		188,756	188,756
Total Deficiency		<u>(1,466,654)</u>	<u>(1,469,041)</u>
Payables: falling due after more than one year			
Non-Interest-bearing borrowings	13	1,460,334	1,460,334
		<u>1,460,334</u>	<u>1,460,334</u>
Payables: falling due within one year			
Interest bearing bank borrowings	12	-	74,732
Trade and other liabilities	14	99,292	43,454
		<u>99,292</u>	<u>118,186</u>
Total liabilities		<u>1,559,626</u>	<u>1,573,420</u>
TOTAL ACCUMULATED FUND AND LIABILITIES		<u>92,972</u>	<u>104,379</u>

The notes on pages 13 to 26 form an integral part of these financial statements.

The financial statements on pages 9 to 26 have been authorised for issue by the Committee members on 12 April 2023 and signed on its behalf by:


 Mr. Ranier Bezzina
 (President)


 Mr. Andre Camilleri
 (Treasurer)


 Mr. Stephen Abela
 (Secretary)

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2022

STATEMENT OF CHANGES IN EQUITY

	General reserve €	Accumulated fund €	Total €
Financial year ended 31 December 2022			
Balance at 01 January 2022	188,756	(1,657,797)	(1,469,041)
Total Comprehensive Income			
Profit for the financial year	-	2,387	2,387
Balance at 31 December 2022	<u>188,756</u>	<u>(1,655,410)</u>	<u>(1,466,654)</u>
Financial year ended 31 December 2021			
Balance at 01 January 2021	188,756	(1,636,723)	(1,447,967)
Total Comprehensive Loss			
Loss for the financial year	-	(21,074)	(21,074)
Balance at 31 December 2021	<u>188,756</u>	<u>(1,657,797)</u>	<u>(1,469,041)</u>

The notes on pages 13 to 26 form an integral part of these financial statements.

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2022

STATEMENT OF CASH FLOWS

	2022	2021
Note	€	€
Cash flows from operating activities		
Profit /(Loss) for the Year	2,387	(21,074)
Adjustments for:		
Depreciation of Tangible Fixed Assets	1,173	1,568
Amortisation of Intangible Assets	17,000	17,000
Finance Costs	11,386	10,333
	<u>31,946</u>	7,827
Operating profit/(loss) before working capital changes	31,946	7,827
(Increase) /decrease in debtors	37,430	(31,075)
Increase/ (decrease) in creditors	55,838	12,033
	<u>125,214</u>	(11,215)
Cash generated from/ (used in) operations		
Cash flows from investing activities		
Purchases of Fixed Assets	-	(1,395)
Net cash from (used in) investing activities	<u>-</u>	(1,395)
Cash flows from financing activities		
Bank Loan Received	440,000	529,000
Bank Loan Repaid	(440,000)	(529,000)
Movement in Related Party Loans Payable	-	(62,722)
Bank Interest Paid	(11,386)	(10,333)
Net cash from/ (used in) financing activities	<u>(11,386)</u>	(73,055)
Net movement in cash and cash equivalents	113,828	(85,665)
Cash and cash equivalents at beginning of year	(58,256)	27,409
Cash and cash equivalents at end of year	15 <u>55,572</u>	<u>(58,256)</u>

The notes on pages 13 to 26 form an integral part of these financial statements.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued

2. SIGNIFICANT ACCOUNTING POLICIES -continued

Foreign currencies

Transactions in foreign currencies have been converted into euro at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies have been translated into euro at the rates of exchange ruling at the statement of financial position 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.

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. 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.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment.

Gains and losses on disposal of tangible fixed assets are determined by reference to their carrying amount and are taken into account in determining the surplus on ordinary activities.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life. The annual rates used for this purpose, which are applied proportionately in the year of acquisition and in the year of disposal, are:

	%
Motor vehicles	20
Office equipment and furnishings	10
Trophies	10
Buildings and improvements	10
Computer Equipment	33.3

NOTES TO THE FINANCIAL STATEMENTS - continued

2. SIGNIFICANT ACCOUNTING POLICIES -continued

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.

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 asset 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 re-measured 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments (continued)

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.

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. The 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 the economic environment.

NOTES TO THE FINANCIAL STATEMENTS – continued

2. SIGNIFICANT ACCOUNTING POLICIES -continued

Financial instruments (continued)

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.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVPL) 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 FVPL 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.

NOTES TO THE FINANCIAL STATEMENTS – continued

2. SIGNIFICANT ACCOUNTING POLICIES -continued

Financial instruments (continued)

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 bank overdraft.

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 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. Amounts owed to related parties are carried at cost.

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. INCOME

Income attributable to the football and ancillary activities are as follows: -

	2022	2021
	Euro	Euro
Commercial		
Membership Fees	4,602	4,900
Enrolment Fees	220	-
Income from Transfer of Players		
Transfer Fees	18,000	-
Training Compensation Fees	-	8,359
Players on Loan	2,500	9,172
Contributions and Donations from Related Parties		
Sponsorship and Donation Income	25,693	5,645
Other Income		
UEFA Championship	1,110,000	850,000
Gate Money	19,794	10,486
Nursery Income (Appendix 1)	199,682	52,001
Women Football income (Appendix 11)	25,124	-
UEFA Solidary and Participation Income	102,452	-
Wages Supplement	25,586	128,129
Income from Events	12,423	6,692
UEFA Club Competition 21/22	48,000	-
PRM Sponsorship	9,000	-
Development Pot	2,250	-
Ministry of Gozo Super Cup	7,500	-
TV Rights	8,085	-
Hire of Pitches	5,436	-
Advertising Income	1,312	-
Football Games related income	10,630	-
	1,638,289	1,075,384

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS - continued

4. PROFIT AND LOSS

The profit and loss is stated after charging:

	2022 Euro	2021 Euro
Cost of Sales		
Affiliation Fee	2,600	2,900
Hire of Grounds	12,644	9,900
Medical Costs	7,915	4,798
Overseas Travelling and Entertainment	98,553	168,736
Transport Costs and Motor Vehicle Costs	1,967	-
Players expenses including Visas	6,330	-
Hire of Gym and Other Football Cost	10,767	6,080
TV Rights	20,320	-
Other Operating Costs		
Players Wages and Salaries including NIC	1,005,808	627,534
Players Accommodation and Related Costs	126,794	72,435
Fines	21,562	21,610
Nursery Operating Costs including wages and salaries (Appendix 1)	229,078	73,697
Nursery Depreciation of Tangible Assets	-	279
Women's Football Costs including wages and salaries (Appendix 11)	35,271	-
Referee Costs	355	429
Motor Vehicle Costs	7,840	7,608
General Expenses	3,120	7,401
Prior Years Employees Tax Adjustment	-	17,348
Cost of Acquiring Players		
Transfer of Players	1,200	27,775
Administration and other Costs		
Printing and Stationary	1,646	1,586
Donations	-	617
General Costs	-	7,481
Property and Facilities Expenses		
Ground Rent	600	1,200
Repairs and Maintenance	400	939
Water and Electricity	8,611	4,668
Security Costs	330	236
Finance Costs		
Bank Charges	2,632	2,579
Depreciation of Club's Tangible Assets	1,173	1,289
Amortisation of Intangible Assets	17,000	17,000
	1,624,516	1,086,125

NOTES TO THE FINANCIAL STATEMENTS - continued

5. STAFF COSTS

The staff costs incurred during the year were as follows:

	2022	2021
	€	€
Wages and salaries – Club	1,005,807	627,534
Wages and salaries – Nursery	49,270	35,471
Wages and salaries – Women's	20,140	-
	<u>1,075,217</u>	<u>663,005</u>

Gross salaries include wages and salaries as well as contributions to national insurance amounting to €21,269 (2021 €14,760).

The average number of persons employed by the football club during the year amounted to 30 (2021: 30) employees.

6. INTEREST PAYABLE

	2022	2021
	€	€
Bank Interest	11,386	10,333
	=====	=====

7. INCOME TAX

Hibernians 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 €	Total Intangible Assets €
Year ended 31 December 2022		
Opening net book amount	39,000	39,000
Amortisation for the year	(17,000)	(17,000)
Closing net book amount	22,000	22,000
At 31 December 2022		
Cost	145,097	145,097
Accumulated amortisation	(123,097)	(123,097)
Net book amount	22,000	22,000
At 31 December 2021		
Cost	145,097	145,097
Accumulated amortisation	(106,097)	(106,097)
Net book amount	39,000	39,000

Name	Date of Birth	Start Date of Contract	End Date of Contract	Cost of Registration €	Amortisation For Year €	Total Amortisation €	Closing Net Book Amount €
Jake Grech	18/11/1997	30/01/2019	30/01/2024	60,000	12,000	48,000	12,000
Zachary Grech	21/07/1999	20/08/2020	08/06/2024	25,000	5,000	15,000	10,000
Balance at 31 December 2022				85,000	17,000	63,000	22,000

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS - continued

9. TANGIBLE FIXED ASSETS

	Office equipment & furnishings	Motor Vehicle	Buildings & improvements	Plant and machinery	IT equipment & software	Total
	€	€	€	€	€	€
Year ended 31 December 2022						
Opening net book amount	-	1,800	-	934	339	3,073
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation charge	-	(600)	-	(234)	(339)	(1,173)
Depreciation released on disposals	-	-	-	-	-	-
Closing net book amount	-	1,200	-	700	-	1,900
At 31 December 2022						
Cost	-	3,000	2,329	6,060	2,295	13,684
Accumulated depreciation	-	(1,800)	(2,329)	(5,360)	(2,295)	(11,784)
Net book amount	-	1,200	-	700	-	1,900
At 31 December 2021						
Cost	-	3,000	2,329	6,060	2,295	13,684
Accumulated depreciation	-	(1,200)	(2,329)	(5,126)	(1,956)	(10,611)
Net book amount	-	1,800	-	934	339	3,073

NOTES TO THE FINANCIAL STATEMENTS - continued

10. INVESTMENT IN SUBSIDIARY

The club has an investment of 5,100 Ordinary Share of Euro 1 each in A.S. Hibernians Limited whose registered address is Corradino Pavilion, Corradino Heights, Corradino, Paola. The investment is stated at historical cost and the club has a 51% holding. The company was registered on 9 May 2000. The investment has been reflected in the comparative figures. Cost was incurred by the late Mr. Anthony Bezzina and hence has been reflected in the loan payable to the heir namely Mr. Ranier Bezzina.

11. RECEIVABLES

	2022	2021
	€	€
Dues in relation to player transfers	3,000	-
Other debtors	-	40,430
Amount due by Subsidiary Company	5,400	5,400
	<u>8,400</u>	<u>45,830</u>

The amount due by the subsidiary is interest free, unsecured and repayable on demand.

12. INTEREST BEARING BORROWINGS

	2022	2021
	€	€
Falling due within one year		
Bank loans	-	-
Bank overdraft	-	74,732
		<u>74,732</u>
Total borrowings		<u>74,732</u>

During the year the club was advanced bank loans amounting to €440,000 which were repaid in full by end of year.

NOTES TO THE FINANCIAL STATEMENTS - continued

12. INTEREST BEARING BORROWINGS

The club has bank overdraft facility of €81,550. The bank overdraft and bank loans are partly secured by the club president and a related company. The temporary bank loans received during the year were repaid in full by the end of year. The loans were granted to finance salaries, travel expenses and to settle €20,000 temporary excess originally granted to settle tax obligations.

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

	2022	2021
	%	%
Bank overdraft	5.65	5.65
Bank loan	5.65	5.65

13. NON -CURRENT LIABILITIES

	2022	2021
	€	€
Falling due after one year		
Balance due to Mr. Ranier Bezzina	1,077,234	1,077,234
Balance due to Salv. Bezzina & Sons Limited	383,100	383,100
	<u>1,460,334</u>	<u>1,460,334</u>

The above balances are both unsecured, interest free and without a repayment programme.

NOTES TO THE FINANCIAL STATEMENTS - continued

14. TRADE AND OTHER LIABILITIES

	2022	2021
	€	€
Falling due within one year		
Indirect tax and social security contributions	9,895	34,154
Accruals	27,512	9,300
Players Payroll Payable	61,885	-
	<u>99,292</u>	<u>43,454</u>

The indirect tax and social security contributions balance as at 31 December 2021 in respect of 2021 were settled in full on 29 March 2022. The remaining amount of €14,142 is payable by monthly instalments of €354. At 31 December 2022 the amount outstanding amounted to €9,895.

15. 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:

	2022	2021
	€	€
Cash at bank and in hand	55,572	16,476
Bank Overdraft	-	(74,732)
	<u>55,572</u>	<u>(58,256)</u>

NOTES TO THE FINANCIAL STATEMENTS – continued

16. CAPITAL COMMITMENTS

	2022	2021
	€	€
Authorised but not contracted for	Nil	nil

17. CONTINGENT LIABILITIES

At balance sheet date the club did not have any contingent liabilities.

18. FINANCIAL INSTRUMENTS

At the year end, the club's main financial assets on the club's balance sheet comprise trade and other receivables and cash at bank and in hand. At the year end, there were no off-balance sheet financial assets.

At the year end, the club's main financial liabilities on the balance sheet consisted of trade and other payables and amounts owed to related parties and to amounts due to the club's bankers.

Timing of cash flows

The presentation of the financial assets and liabilities listed above under the current and non-current headings within the balance sheet is intended to indicate the timing in which cash flows will arise.

Credit risk

Financial assets which potentially subject the club to concentrations of credit risk consist principally of certain trade and other debtors and cash at bank.

The club's cash at bank is placed with quality financial institutions. The club had a concentration of credit risk with respect to trade debtors. Carrying amounts for trade and other debtors are stated net of the necessary provisions, if any, which have been prudently made against bad and doubtful debts in respect of which the committee reasonably believes that recoverability is doubtful. No provision for expected losses has been considered necessary at year end.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Fair values

The carrying amounts of receivables, cash at bank and trade and other liabilities approximated their fair values owing to the short-term maturities of these assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS - continued

18. FINANCIAL INSTRUMENTS – continued

Interest rate risk

The club's interest rates on its interest-bearing loans and bank overdraft are as disclosed in Note 10. These borrowings do not expose the club to significant interest rate risk.

Currency risk

The majority of the club's transactions are conducted in Euro, and hence the club is not exposed to any significant currency risk. However, the committee seeks to ensure that, in cases where other currencies are involved, the possibility of the risk is appropriately considered.

19. RELATED PARTIES

Loans from committee members

The club took out a loan from the late Mr Anthony Bezzina, the Club's former president. The amount due is unsecured, bears no interest and has no fixed date for repayment. The outstanding balance on this loan year end was inherited by his son Ranier Bezzina, the Club's President, and is shown with non-current creditors in Note 13.

In prior years the club took out a loan from Salv. Bezzina & Sons Limited. The amount due to the company, which is controlled by Mr. Ranier Bezzina, is unsecured, bears no interest and has no fixed date for repayment.

The outstanding balance on this loan is shown with non-current creditors in Note 13.

NOTES TO THE FINANCIAL STATEMENTS - continued

20. EVENTS AFTER THE REPORTING PERIOD

There have been no events since the end of the reporting period, which would require revision of the amounts included in the financial statements or disclosure in a note thereto.

21. 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.

Hibernians Football Club

Annual Financial Statements for the year ended 31 December 2022

Nursery Income and Expenditure

Appendix 1

	2022
	Euro
<i>Income</i>	
Membership Fees	625
Transfer fees	4,300
Donations and Voluntary Contributions	845
Lease of Bar	10,000
UEFA subsidies	7,540
Sponsorships	4,200
Other Income	162
Summer School	2,980
Festivals and Tournaments	163,775
Events	5,255
Total Income	199,682
<i>Expenditure</i>	
Coaches and Technical Staff	49,269
Players Costs	3,150
Printing and Stationary	994
Insurance	820
Ground Maintenance	1,986
Hire of Grounds	15,149
Festivals and Tournaments	148,097
General Expenses	2,432
Bank Charges	254
Events	2,935
Kits	3,082
Membership	160
UEFA	750
Total Expenditure	229,078
Nursery Loss for the Year	(29,396)

Hibernians Football Club

Annual Financial Statements for the year ended 31 December 2022

Appendix 11

Income and Expenditure – Women

	2022
Income	Euro
Sponsorships	750
Summer School	7,770
Festivals and Tournaments	16,604
Total Income	25,124
Expenditure	
Coaches and Technical Staff	20,140
Transport	2,831
Medical Costs	300
Printing and Stationary	168
Hire of Grounds	1,750
Festivals and Tournaments	9,888
General Expenses	158
Bank Charges	36
Total Expenditure	35,271
Loss for the Year	(10,147)



MALTA FOOTBALL ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT

for the Financial Year Jan-Dec 2022

Hibernians Women's Team

Contents	Page
Income Account	1
Expenditure Account	2



MALTA FOOTBALL ASSOCIATION

Income Account
For the season ended 31 December, 2022

Page 1

Hibernians Women's Team

INCOME	2022	
	€	
Membership Fees	-	
Transfer Fees	-	
Donations & Voluntary Contributions	-	
Lease of Bar	-	
UEFA Subsidies	-	
Fund Raising Activities	-	
Income from Advertising	-	
Sponsorships	750	
Summer School	7,770	

OTHER INCOME:

Sponsorship (MFA)	-	
-Festivals and Tournaments	16,604	
-		
-		
-		
-		
-		
-		
-		
-		
-		
TOTAL INCOME	25,124	



MALTA FOOTBALL ASSOCIATION

Expenditure Account
For the season ended 31 December, 2022

Page 2

Hibernians Women's Team

EXPENDITURE	2022	
	€	
Affiliation Fees and Other Dues	--	
Transfer Fees	-	
Coaches & Technical Staff	20,140	
Festivals and Tournaments	9,888	
Medical Expenses	300	
Transport	2,831	
Printing and Stationery	168	
Kits, Footballs & Equipment etc.	-	
Repairs & Maintenance	-	
Telephones & Fax	-	
Ground Maintenance Expenses	-	
Rent of Premises	1,750	
Water & Electricity	-	
Depreciation	-	
General Expenses	158	
Bank Charges	36	
TOTAL EXPENDITURE	35,271	

TOTAL INCOME (From Page 1)

25,124

Excess Expenditure over Income

(10,147)



MALTA FOOTBALL ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT

for the Financial Year 1 January to 31 December 2022

Hibernians Football Nursery

Contents	Page
Income Account	1
Expenditure Account	2



MALTA FOOTBALL ASSOCIATION

Income Account
For the season ended 31 December, 2022

Page 1

Hibernians Football Nursery

INCOME	2022	2021
	€	€
Membership Fees	625	-
Transfer Fees	4,300	5,000
Donations & Voluntary Contributions	845	700
Lease of Bar	10,000	7,500
UEFA Subsidies	7,540	17,200
Fund Raising Activities	5,255	-
Sponsorships	4,200	5,400
Kick FA	-	-

OTHER INCOME:

MFA	-	6,250
Transport	-	-
Pitch Hire	-	3,306
Tournament and Festival Income	163,775	-
Bank Interest	-	-
Water and Electricity Refund	-	-
-Summer School Activities	2,980	-
Other Income	162	-
-Covid 19 Income	-	-
-Reimbursement of Costs	-	6,520
Sales of Kits	-	125
TOTAL INCOME	199,682	52,001



MALTA FOOTBALL ASSOCIATION

Expenditure Account

For the season ended 31 December, 2022

Page 2

Hibernians Football Nursery

EXPENDITURE	2022	2021
	€	€
Affiliation Fees and Other Dues	160	-
Transfer Fees	-	-
Coaches & Technical Staff	49,269	35,471
Players Expenses	3,150	280
Medical Expenses	-	4,053
Transport	-	-
Printing and Stationery	994	790
Kits, Footballs & Equipment etc.	3,082	-
Insurance	820	515
Telephones & Fax	-	-
Ground Maintenance Expenses	1,986	9,575
Rent of Premises/Ground	15,149	13,269
Water & Electricity	-	4,243
Gates Fees	-	-
Tournaments and Events	151,032	-
Bank Charges	254	-
Referees Fees	-	-
Administrative and other Fees	750	2,147
General expenses	2,432	3,614
TOTAL EXPENDITURE	229,078	73,957

Excess expenditure over Income

(29,396)

(996)

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MALTA FOOTBALL ASSOCIATION

Mr. Ranier Bezzina
45 Misrah Ir-Republika
Tarxien
Malt

The Chairman
Clubs Licensing Board
Malta Football Association
The National Stadium,
Ta' Qali, ATD4000.
Malta

12 April 2023

Dear Sir,

I confirm that as at 31 December 2022 amounts due to me from Hibernians Football Club amounted to € 1,077,234. The loan amount is unsecured, interest free and there is no fixed date of repayment.

I confirm my ability and willingness to continue to support The Hibernians Football Club. In that regard I commit myself not to demand repayment of the above-mentioned outstanding amounts during football season 2023/2024 and, if the need arises, to provide additional funding as may be required to ensure Hibernians Football Club will be in a position to meet its financial obligations and to settle its liabilities as they fall due.

Yours sincerely,



Mr. Ranier Bezzina
ID Number 393181M

President
Hibernians Football Club

Salv Bezzina & Sons Limited
1 -3 Church Wharf
Marsa
Malta

The Chairman
Clubs Licensing Board
Malta Football Association
The National Stadium,
Ta' Qali, ATD4000.
Malta

12 April 2023

Dear Sir,

I confirm that as at 31 December 2022 amounts due to me from Hibernians Football Club amounted to € 383,100. This amount is unsecured, interest free and there is no fixed date of repayment.

I confirm my ability and willingness to continue to support The Hibernians Football Club. In that regard I commit myself not to demand repayment of the above-mentioned outstanding amounts during football season 2023/2024 and, if the need arises, to provide additional funding as may be required to ensure Hibernians Football Club will be in a position to meet its financial obligations and to settle its liabilities as they fall due.

Yours sincerely,



Mr. Ranier Bezzina
ID Number 393181M

Sole Director

Auditor's Declaration

Joseph Schembri FCCA, FIA.CPA

I hereby declare that:

1. I have carried out the audit of the Financial Report for Year 2022 of Hibernians Football Club.
2. I have carried out the Customer Due Diligence (CDD) on the related parties of Hibernians Football Club

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line and a small flourish.

Joseph Schembri

Warrant No: A81

12 April 2023

Joseph Schembri FCCA, FIA.CPA

Report of Factual Findings to Malta Football Association

I have performed the procedures agreed with you and enumerated below in respect of the payables towards football clubs arising from transfer activities of Hibernians Football Club as at 31 December 2022 as set forth in the Transfer Payables Table [see Appendix 1]. My engagement was undertaken in accordance with the International Standard on Related Services 4400 applicable to agreed-upon procedures engagements. The procedures were performed solely for Hibernians Football Club in connection with its licence application and are summarised as follows:

Scope of work

My work consisted of the following procedures:

1. Agreeing the total in the transfer payables table with the 'Accounts payable relating to player transfers' amount in the annual financial statements as at 31 December 2022.
2. Checking the arithmetical accuracy of the transfer payables table.
3. Selecting a sample of all player transfers/loans, comparing the corresponding agreements with the information contained in the transfer payables table and highlighting the selected transfers/loans.
4. Selecting a sample of all transfer payments, comparing them with the information contained in the transfer payables table and highlighting the selected payments.
5. If according to the transfer payable table there is an amount due as at 31 December 2022, examining before 31 March 2023 at the latest that:
 - (i) the balance in respect of each payable due as at 31 December 2022 has been fully paid as of 12 April 2023
 - (ii) an agreement has been reached for payment on deferred terms in respect of [identify player(s)]; [or*]
 - (iii) a dispute has arisen in respect of [identify player(s)] and is subject to resolution by [name of competent national or international body]. *
6. If applicable: Obtaining and examining bank statements, in support of 5(i) above.
7. If applicable: Obtaining and examining documents, including agreements with the relevant football club(s) and/or correspondence with the competent body, in support of 5(ii) [and/or*] 5(iii) above.

* delete as appropriate

I report my findings below:

- a) With respect to item 1, I found the addition to be correct and the total amount to be in agreement with the figure disclosed in the financial statements. There were no amounts payable at year end.
- b) With respect to item 2, I found the amounts arithmetically correct.
- c) With respect to item 3, I selected all transfer agreements, which are highlighted on the transfer payables table. This represents .0007% of the total costs and 100% of the total number of transfers/loans. I found that the transfer payables table correctly represents the financial conditions defined in the underlying player transfer documents.
- d) With respect to item 4, I selected all transfer payments which are highlighted on the transfer payables table. I found that the paid amounts are correctly represented in the transfer payables table.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, I do not express any assurance on the accounts payable as of 31 December 2022.

Had I performed additional procedures, or had I performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to my attention that would have been reported to you.

My report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the accounts and items specified above and do not extend to any financial statements of Hibernians Football Club taken as a whole.



*Joseph Schembri
Ville Michel
Apartment 404
Triq Wied Ta Ruman
Mellieha MLH 4020*

Hibernians Football Club
114 Antoine de Paule Square
Paola PLA 02
Malta

Joseph C Schembri
Registered Auditor
Ville Michel
Apartment 404
Triq Wied Ta Ruman
Mellieha MLH 4020
Malta

12 April 2023

Dear Sir

Management Representations – Financial Statements for the year ended 31 December 2022.

This representation letter is provided in connection with your audit of the financial statements of Hibernians Football Club (the "Club"), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in the Club's funds and cash flow statement for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, for the purpose of expressing your opinion as to whether these financial statements:

- (a) give a true and fair view of the balance sheet of the Club and of its financial results and its cash flows 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 (GAPMSE); and
- (b) have been properly prepared in accordance with the provisions of the licensing regulations applicable to the Premier Division Member Clubs.

We acknowledge our responsibility for the preparation and fair presentation of the financial statements on behalf of the Committee Members in accordance with GAPMSE, and their proper preparation in accordance with the Act and the provisions of the licensing regulations applicable to the Premier Division Member Clubs. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In connection with representations and the supply of information to you generally, we acknowledge that it is an offence, under Article 154(2) of the Companies Act, for an officer of an entity knowingly or recklessly to make a misleading or false statement to auditors.

Certain representations in this letter are described as being limited to matters that are material. We understand that omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

We have made appropriate inquiries of our fellow officers of the Club with the relevant knowledge and experience. Accordingly, we confirm, to the best of our knowledge and belief, the following representations:

1. The financial statements referred to above give a true and fair view, in accordance with GAPMSE and have been properly prepared in accordance with the Act and the provisions of the licensing regulations applicable to the Premier Division Member Clubs.
2. We have made available to you all books of account and supporting documentation.
3. There has been no known actual or possible non-compliance with laws and regulations that could have a material effect on the financial statements in the event of non-compliance.
4. We confirm that:
 - (a) We understand that the term "fraud" includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve the theft of an entity's assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.
 - (b) We acknowledge responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
 - (c) There have been no instances of fraud or suspected fraud affecting the Club involving:
 - management and committee members;
 - others where the fraud could have a material effect on the financial statements.
 - (d) There have been no allegations of fraud, or suspected fraud, affecting the Club's financial statements communicated by employees, former employees, regulators or others.
 - (e) We have assessed the risks that the financial statements may be materially misstated as a result of fraud and confirm that no such misstatements exist.
5. There are no uncorrected financial statement misstatements, omissions and other errors in presentation and disclosure, that individually, or in the aggregate, are material to the financial statements taken as a whole.

6. We confirm the completeness of the information provided to you regarding the identification of related parties and regarding transactions with such parties that are material to the financial statements. The identity of, and balances and transactions with, related parties have been appropriately accounted for and disclosed in the notes to the financial statements, in accordance with the requirements of International Accounting Standard (IAS) 24, *Related Party Disclosures*. Included in Appendix A to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24.
7. The measurement, presentation and disclosure of fair values are in accordance with GAPMSE. The amounts recorded or disclosed in the financial statements represent our best estimate of fair value of assets and liabilities in accordance with GAPMSE. The measurement methods and significant assumptions used in determining fair values are appropriate in the circumstances and the resulting valuations and disclosures are reasonable.
8. We have recorded all liabilities and disclosed all contingent liabilities in the financial statements in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.
9. There are no pending or threatened litigation and claims against the Club which should be considered when preparing the financial statements and accounted for and / or disclosed in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. Also, we are not aware of any claims that have been or are expected to be received.
10. In assessing the Club's ability to continue as a going concern, we took into account all information for the foreseeable future and considered all factors, including, but not limited to, existing obligations and commitments, current and expected profitability, and our plans for future action.

Based on this assessment, we believe that it remains appropriate to prepare the financial statements on a going concern basis.

11. There were no significant deficiencies in the design or operation of internal controls which could adversely affect the Club's ability to record, process, summarise and report financial data, and we have identified no material weaknesses in internal control.

We interpret "significant deficiencies in the design or operation of internal controls" to be consistent with the concept of a "reportable condition". A "reportable condition" is defined as a significant deficiency in the design or operation of internal control that could adversely affect the Club's ability to initiate, record, process, and report financial data consistent with the assertions of the Club's management in the financial statements. We understand that the term "material weakness in internal control" is a reportable condition for which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that could be material in relation to the financial statements may occur and not be detected within a timely period by management in the normal course of performing their assigned functions.

There have been no allegations, either written or oral, of deficiencies in internal control that could have a material effect on the Club's financial statements.

12. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
13. The full effects of all transactions in the period have been reflected in the financial statements in accordance with agreements, including amendments and oral agreements.

14. All sales transactions are final and there are no side agreements with customers or other terms that allow for the return of merchandise, except for conditions covered by the usual and customary warranties.
15. The revenue recognition criteria have been applied to the separately identifiable components within a single transaction to reflect the substance of the transaction in accordance with IAS 18, *Revenue*.
16. Receivables reported in the financial statements represent valid claims against debtors for players' transfers or other charges arising on or before the balance sheet date. No provisions for losses that may be sustained on uncollectible receivables are considered necessary.
17. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements. We believe that the carrying amounts of all material assets will be recoverable.
18. We have reviewed all financial assets and financial liabilities and confirm they have been classified appropriately as:
 - financial assets or liabilities designated at fair value through profit or loss;
19. We confirm that disclosures in respect of financial instruments, have been appropriately incorporated in the financial statements.

Information relating to the Club's exposures to risks arising from financial instruments and how those exposures arise, including a description of our objectives, policies and processes for managing the risks arising from financial instruments and the methods used to measure risks, has been appropriately disclosed in the notes to the financial statements.

The above disclosures include summary quantitative data on each type of risk arising from financial instruments, information on concentrations of risk and a description of how such concentrations are determined.

Further, the quantitative data disclosed are representative of the Club's exposure to risks arising from financial instruments during the period.
20. The Club has satisfactory title to all assets and there are no liens or encumbrances on the Club's assets.
21. We have identified each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and depreciated each item separately in accordance with IAS 16, *Property, Plant and Equipment*.
22. The Club has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, for example debt covenants.
23. There are no significant matters that have arisen that would require a restatement of the corresponding figures.
24. We confirm that at 31 December 2022 there were no capital commitments which were authorised and contracted for or authorised but not yet contracted for.
25. There have been no events subsequent to the balance sheet date that require adjustment of, or disclosure in, the financial statements or notes thereto.

This letter and its Appendix was tabled and approved at the Committee meeting held today.



Mr. Ranier Bezzina
Acting President



Mr David Abdilla
Vice President



Mr. Andre Camilleri
Treasurer

Appendix A to the Management Representation Letter of

Hibernians Football Club

Definitions

Related party - A party is related to an entity if:

- (a) directly, or indirectly through one or more intermediaries, the party:
 - (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - (ii) has an interest in the entity that gives it significant influence over the entity; or
 - (iii) has joint control over the entity;
- (b) the party is an associate (as defined in IAS 28, *Investments in Associates*) of the entity;
- (c) the party is a joint venture in which the entity is a venturer (see IAS 31, *Interests in Joint Ventures*);
- (d) the party is a member of the key management personnel of the entity or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Related party transaction - A transfer of resources, services or obligations between related parties, regardless of whether a price is charged.