

**BALZAN FOOTBALL CLUB  
ANNUAL FINANCIAL REPORT  
AND  
FINANCIAL STATEMENTS  
31 DECEMBER 2019**

**BALZAN FOOTBALL CLUB  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Balzan Football Club**

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**Balzan Football Nursery**

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**BALZAN FOOTBALL CLUB  
GENERAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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- **REGISTRATION**

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

- **OFFICIALS AND OTHER COMMITTEE MEMBERS**

President	Mr. Anton Tagliaferro
Vice Presidents	Mr. Sandro Azzopardi Mr. David Melillo (elected on 6 June 2019)
Secretary	Mr. Joseph Agius
Assistant Secretary	Ms. Diane Cassar
Treasurer	Mr. Peter Cipriott
Assistant Treasurer	Mr. Mario Nappa
Members	Mr. Clifford Cipriott Mr. Joe Micallef Mr. Charles Micallef Mr. Anton Vidal Mr. Alex Attard Mr. Alex Bezzina Mr. Randolph Bonnici (resigned on 6 June 2019) Mr. Frank Monreal (elected on 6 June 2019) Dr. Frank Vella Bardon (resigned on 1 July 2019) Mr. Eric Galea (elected on 1 July 2019)

- **CLUB ADDRESS**

"Solerville", Main Street, Balzan, Malta.

- **BANKERS ADDRESS**

Bank of Valletta  
295, Naxxar Road, Birkirkara BKR 9041, Malta.

- **AUDITORS**

DFK Malta Audit Limited, 36/2, Manol Mansion, De Paule Avenue, Balzan BZN 9022, Malta.

**BALZAN FOOTBALL CLUB  
COMMITTEE MEMBERS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Committee members submit their annual report and the audited financial statements for the year ended 31 December 2019.

**1. PRINCIPAL ACTIVITY**

Balzan 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).

**2. RESULTS**

The income statement is set out on page 6.

**3. REVIEW FOR THE PERIOD**

The Club incurred a loss of € 163,890 during the year under review.

**4. COMMITTEE MEMBERS**

During the year ended 31 December 2019, Committee members were as listed on page 1.

**5. 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 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 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").

**BALZAN FOOTBALL CLUB  
COMMITTEE MEMBERS' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**5. STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES (continued)**

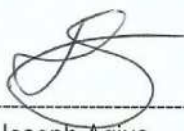
The Committee Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Club. This responsibility includes designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation 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

**6. AUDITORS**

The Auditors, DFK Malta 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 :**

  
\_\_\_\_\_  
Mr. David Melillo  
Vice President

  
\_\_\_\_\_  
Mr. Joseph Agius  
Secretary

  
\_\_\_\_\_  
Mr. Peter Cipriott  
Treasurer

30 April 2020

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALZAN FOOTBALL CLUB**

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### **Opinion**

We have audited the financial statements of Balzan Football Club ("the Club"), which comprise the balance sheet as at 31 December 2019, 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 2019, 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.

### **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.

### **Auditors' 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 auditors' 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.

**INDEPENDENT AUDITORS' REPORT (continued)  
TO THE MEMBERS OF  
BALZAN FOOTBALL CLUB**

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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;
- 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.

This Copy of the audit report has been signed by  
Emanuel Farrugia (Director) for and on behalf of



**DFK Malta Audit Limited**  
Registered Auditor  
36/2, Manol Mansion  
De Paule Avenue  
Balzan BZN 9022  
Malta

30 April 2020

**BALZAN FOOTBALL CLUB**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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		2019	2018
		-----	-----
		€	€
	Notes		
	-----		
Income	3	1,131,733	1,244,847
Expenditure	5	(1,295,623)	(1,128,314)
		-----	-----
<b>(Loss)/profit for the year</b>		<b>(163,890)</b>	<b>116,533</b>
		=====	=====





**BALZAN FOOTBALL CLUB  
BALANCE SHEET  
AS AT 31 DECEMBER 2019**

Page 7

		2019	2018
		€	€
	Notes		
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	8	111,685	20,158
Tangible fixed assets	9	276,456	84,312
Receivables	10	78,505	95,180
		<u>466,646</u>	<u>199,650</u>
<b>Current assets</b>			
Stocks	11	5,195	3,010
Receivables	10	31,974	71,399
Cash at bank and in hand	13	9,605	220,478
		<u>46,774</u>	<u>294,887</u>
<b>TOTAL ASSETS</b>		<u>513,420</u>	<u>494,537</u>
		=====	=====
<b>ACCUMULATED FUND AND LIABILITIES</b>			
<b>Accumulated fund and surplus</b>			
Accumulated fund		219,187	383,077
		<u>219,187</u>	<u>383,077</u>
<b>Payables: falling due after one year</b>			
Trade and other liabilities	12	213,071	47,670
		<u>213,071</u>	<u>47,670</u>
<b>Payables: falling due within one year</b>			
Trade and other liabilities	12	81,162	63,790
		<u>81,162</u>	<u>63,790</u>
<b>Total liabilities</b>		<u>294,233</u>	<u>111,460</u>
		=====	=====
<b>TOTAL ACCUMULATED FUND AND LIABILITIES</b>		<u>513,420</u>	<u>494,537</u>
		=====	=====

The financial statements on pages 6 to 23 have been authorised for issue by the Committee members on 30 April 2020 and were signed on its behalf by:

  
Mr. David Melillo  
Vice President

  
Mr. Joseph Agius  
Secretary

  
Mr. Peter Cipriotti  
Treasurer

**BALZAN FOOTBALL CLUB**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Accumulated Fund
	-----
	€
 <b>Financial year ended 31 December 2018</b>	
<i><b>Balance at 1 January 2018</b></i>	266,544
Profit for the financial year	116,533
	-----
<i><b>Balance at 31 December 2018</b></i>	383,077
	=====
 <b>Financial year ended 31 December 2019</b>	
<i><b>Balance 1 January 2019</b></i>	383,077
Loss for the financial year	(163,890)
	-----
<i><b>Balance at 31 December 2019</b></i>	219,187
	=====

**BALZAN FOOTBALL CLUB**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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	2019	2018
	-----	-----
	€	€
<b>Cash flows from operating activities</b>		
Net (loss) / profit before tax	(163,890)	116,533
Adjustments for:		
Depreciation of tangible fixed assets	8,310	6,166
Amortisation of intangible assets	61,249	32,758
Profit on sale of players	(35,000)	(117,046)
	-----	-----
<b>Operating (loss)/profit before working capital changes</b>	(129,331)	38,411
Decrease in debtors	56,100	45,655
Increase /(decrease) in creditors	20,356	(1,026)
Increase in stocks	(2,185)	(3,010)
	-----	-----
<b>Net cash (used in) / from operating activities</b>	(55,060)	80,030
	-----	-----
<b>Cash flows from investing activities</b>		
Players registration costs	(152,776)	(20,000)
Purchase of tangible fixed assets	(200,454)	(9,171)
Proceeds from grants	162,417	-
Proceeds from sale of players	35,000	165,000
	-----	-----
<b>Net cash (used in) / from investing activities</b>	(155,813)	135,829
	-----	-----
<b>Net movement in cash and cash equivalents</b>	(210,873)	215,859
Cash and cash equivalents at beginning of year	220,478	4,619
	-----	-----
<b>Cash and cash equivalents at end of year (note 13)</b>	9,605	220,478
	=====	=====

**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**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 are the Club's first financial statements prepared under GAPSME. The Club's previous financial statements, for the year ended 31 December 2018, were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The date of transition to GAPSME is the beginning of the earliest period for which the Club presents full comparative information in accordance with GAPSME in these financial statements, hence 1 January 2018.

An explanation of how the transition to GAPSME has affected the Club's reported financial position and financial performance is provided in note 15.

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 contract duration.
- Donations and third party contributions are recognised on a cash basis.
- Interest income is recognised as the interest accrues, unless collectability is in doubt.

**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

**Grants**

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received. Grants related to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

**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 balance sheet date. All resulting differences are taken to the accumulated fund.

**Intangible 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.

**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

**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.

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

	%
Work in progress	0
Buildings and improvements	2
Office equipment and furnishings	10
Plant and machinery (including machine tools)	20
IT equipment and software	25

**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

**Tangible fixed assets (continued)**

*Depreciation method, useful life and residual value*

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

*Derecognition of property, plant and equipment*

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.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out method.

Stocks are measured at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

**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.

**BALZAN FOOTBALL CLUB  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

**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.

**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.



**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

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

*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.

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.

**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**3. INCOME**

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

	2019	2018
	-----	-----
	€	€
<b>Commercial</b>		
Membership fees	780	570
National competitions and prize money	-	6,300
Merchandising	25	2,338
<b>Income from disposal of player registrations ( including loan income)</b>		
Transfer Fees	3,850	9,950
Profit on disposal of intangible fixed assets (player registrations)	35,000	117,046
<b>Contributions/donations from related and other parties</b>		
Donations and voluntary contributions	11,934	20
<b>Other income</b>		
Gate receipts	-	10,970
Nursery Academy membership fees	44,741	47,799
Commercial		
Leasing	8,164	8,164
Fund raising activities	10,540	8,370
Broadcasting rights		
TV	-	4,107
Solidarity and Prize money		
UEFA solidarity and participation	262,290	521,969
Advertising	4,840	10,530
Sponsorships	699,367	483,700
MFA guaranteed income	17,000	-
Other income		
Grant income	2,491	1,000
Ground rent	19,509	7,650
Match cards	1,955	2,390
Administration fees	3,550	1,150
Administration wages support	5,000	-
Other income	697	824
<b>Total income</b>	<b>1,131,733</b>	<b>1,244,847</b>
	=====	=====

**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**4. GRANTS INCOME**

This refers to grant income from the following funds:

- a) National Lotteries Good Causes Fund
- b) Football Facilities Fund for Football Clubs
- c) MFA Sports Complex Fund

The balance disclosed in note 12 represents deferred grants in accordance with IAS 20.

**5. EXPENDITURE**

	2019	2018
	-----	-----
	€	€
<b>Cost of sales/materials</b>		
Affiliation fees and other dues	2,814	2,315
Kits	11,754	9,902
Medical expenses	41,660	32,459
Overseas travel accomodation	12,431	31,383
Transport	3,205	5,971
Work permit and visas	6,106	5,261
<b>Other operating expenses</b>		
Players' wages and salaries including NI	852,877	755,582
Other staff salaries including NI	224,497	183,867
Accomodation (foreign players)	8,144	18,030
Fines	2,180	4,975
Other expenses		
Instat database costs	6,000	-
Training compensation	2,000	-
Gate expenses	634	-
<b>Cost of acquiring player registrations (including non-capitalised agent fees and loan fees)</b>		
Transfer fees	8,750	3,450
<b>Match expenses</b>	12,518	6,971
<b>Expenses of non football operations</b>		
Office expenses	1,800	1,304
Audit fee	3,540	3,540
Professional fees	4,492	979

**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**5. EXPENDITURE (CONTINUED)**

	2019	2018
	-----	-----
	€	€
<b>Property and facility expenses</b>		
Ground maintenance	831	3,079
Rent and insurance	16,674	16,860
Repair and maintenance	210	128
Water and electricity	2,392	2,362
<b>Commercial activities expenses</b>		
Events	120	920
<b>Finance expenses</b>		
Bank charges	435	52
<b>Amortisation of intangible fixed assets (players registration)</b>	61,249	32,758
<b>Depreciation of tangible fixed assets</b>	8,310	6,166
<b>Total expenses</b>	1,295,623	1,128,314
	=====	=====

**6. STAFF COSTS**

The staff costs incurred during the year were as follows:

	2019	2018
	-----	-----
	€	€
Wages and salaries – players	809,730	721,637
Wages and salaries – others	224,497	183,866
Social security costs and maternity fund cotributions	43,147	33,946
	1,077,374	939,449
	=====	=====

The average number of employees employed by the Club during the year amounted to 41 (2018 – 36).

An amount of € 102,174 in relation to salaries and wages paid to nursery staff is included in Other/Non-Split/Nursery expenses.

**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**7. INCOME TAX**

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

**8. INTANGIBLE ASSETS**

Player  
Registration  
Costs

€

**Year ended 31 December 2019**

Opening net book amount	20,158
Additions	152,776
Disposals	(68,383)
Amortisation	(61,249)
Amortisation released on disposals	68,383
	-----
Closing net book amount	111,685
	=====

**At 31 December 2019**

Cost	320,181
Accumulated amortisation	(208,496)
	-----
<b>Net book amount</b>	111,685
	=====

**At 31 December 2018**

Cost	235,788
Accumulated amortisation	(215,630)
	-----
<b>Net book amount</b>	20,158
	=====

**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**8. INTANGIBLE ASSETS (continued)**

**PLAYER IDENTIFICATION TABLE**

Financial year ended 31 December 2019

	Date of birth	Start date of contract	End of contract	Cost of registration €	Amortisation 1 Jan 2019 €	Amortisation for the year €	Amortisation 31 Dec 2019 €	Disposal (cost) €	Disposal (amortisation) €	Closing book value €
Justin Grioli	20/09/1987	21/07/2013	08/06/2016	43,500	43,500	-	43,500	(43,500)	43,500	-
Steve Bezzina	05/01/1987	12/08/2013	08/06/2016	45,000	45,000	-	45,000	-	-	-
Mark Spiteri	25/04/1992	12/08/2013	08/06/2016	13,072	13,072	-	13,072	-	-	-
Samir Arab	25/03/1994	10/06/2015	Last game 2018/2019	20,000	17,500	2,500	20,000	-	-	-
Alfred Effiong	29/11/1984	20/08/2015	Last game 2017/2018	30,000	30,000	-	30,000	-	-	-
Alex Da Paixaoi Alves	17/01/1993	09/06/2017	15/05/2018	24,883	24,883	-	24,883	(24,883)	24,883	-
Michael Johnson	11/05/1994	12/06/2017	Last game 2018/2019	10,633	7,975	2,658	10,633	-	-	-
Neil Frendo	04/01/1999	01/06/2018	Last game 2019/2020	20,000	5,000	5,000	10,000	-	-	10,000
Steven Pisani	07/08/1992	01/01/2019	31/05/2022	50,000	-	14,286	14,286	-	-	35,714
Paul Fenech	20/12/1986	03/01/2019	09/06/2021	75,000	-	30,000	30,000	-	-	45,000
Kristijan Naumovski	17/09/1988	10/06/2019	Last game 2019/2020	7,776	-	3,888	3,888	-	-	3,888
Markus Grima	22/07/2000	27/08/2019	29/05/2022	10,000	-	1,667	1,667	-	-	8,333
Jake Pisani	10/03/2001	01/09/2019	20/05/2023	10,000	-	1,250	1,250	-	-	8,750
				359,864	186,930	61,249	248,179	(68,383)	68,383	111,685
				=====	=====	=====	=====	=====	=====	=====

Note: Contract dates refer to the original contracting period over which contract costs are being amortised.

**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**9. TANGIBLE FIXED ASSETS**

	Total	Work in Progress	Buildings & Improvements	Plant & Machinery	Office equipment & furnishings	IT equipment & software
	€	€	€	€	€	€
<b>Year ended</b>						
<b>31 December 2019</b>						
Opening net book amount	84,312	-	64,729	10,643	8,659	281
Additions	200,454	177,000	3,514	19,076	864	-
Depreciation	(8,310)	-	(1,637)	(3,725)	(2,667)	(281)
	-----	-----	-----	-----	-----	-----
<b>Closing net book amount</b>	<b>276,456</b>	<b>177,000</b>	<b>66,606</b>	<b>25,994</b>	<b>6,856</b>	<b>-</b>
	=====	=====	=====	=====	=====	=====
<b>At 31 December 2019</b>						
Cost	314,801	177,000	81,877	37,779	17,302	843
Accumulated depreciation	(38,345)	-	(15,271)	(11,785)	(10,446)	(843)
	-----	-----	-----	-----	-----	-----
<b>Net book amount</b>	<b>276,456</b>	<b>177,000</b>	<b>66,606</b>	<b>25,994</b>	<b>6,856</b>	<b>-</b>
	=====	=====	=====	=====	=====	=====
<b>At 31 December 2018</b>						
Cost	114,347	-	78,363	18,703	16,438	843
Accumulated depreciation	(30,035)	-	(13,634)	(8,060)	(7,779)	(562)
	-----	-----	-----	-----	-----	-----
<b>Net book amount</b>	<b>84,312</b>	<b>-</b>	<b>64,729</b>	<b>10,643</b>	<b>8,659</b>	<b>281</b>
	=====	=====	=====	=====	=====	=====

**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**10. RECEIVABLES**

	2019	2018
	-----	-----
	€	€
<b>Falling due after one year</b>		
Advance payments	78,505	95,180
	=====	=====
<b>Falling due within one year</b>		
Dues in relation to player transfers	1,250	40,000
Advance payments	16,674	16,674
Prepayments and accrued income	4,980	14,725
Other receivables	9,070	-
	-----	-----
	31,974	71,399
	=====	=====

**11. STOCKS**

	2019	2018
	-----	-----
	€	€
Merchandising stocks	5,195	3,010
	=====	=====

**12. TRADE AND OTHER LIABILITIES**

	2019	2018
	-----	-----
	€	€
<b>Falling due after one year</b>		
Grants accrued income (note 4)	164,926	4,000
Accruals and deferred income	48,145	43,670
	-----	-----
	213,071	47,670
	=====	=====
<b>Falling due within one year</b>		
Creditors in relation to player transfers	5,000	1,000
Other payables	21,662	23,850
Grant accrued income (note 4)	2,491	1,000
Indirect tax	1,908	-
Social security contributions	34,342	24,371
Accruals and deferred income	15,759	13,569
	-----	-----
	81,162	63,790
	=====	=====



**BALZAN FOOTBALL CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**13. CASH AND CASH EQUIVALENTS**

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

	2019	2018
	-----	-----
	€	€
Cash at bank and in hand	9,605	220,478
	=====	=====

**14. EVENTS AFTER THE REPORTING PERIOD**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Malta and around the world. As at date of Audit report, Balzan Football Club is aware of changes in its operations as a result of the COVID-19 and the impact on its financial statements. The Balzan Football Club believes that any disturbance may be temporary, however, there is uncertainty about the length and potential impact of the disturbance.

**15. FIRST-TIME ADOPTION OF GAPSME**

As explained in Note 1, the Club adopted GAPSME for the first time in these financial statements. The date of transition to GAPSME is 1 January 2018. The accounting policies applied by the Club upon transition to GAPSME were consistent with those applied under IFRS as adopted by the EU. As a result, the transition to GAPSME had no effect on the Club's reported financial position and financial performance.

**16. MINIMUM DISCLOSURES**

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

**Balzan Football Nursery**  
**INCOME AND EXPENDITURE ACCOUNT**  
**For the Financial Year Ended**  
**31 December 2019**

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

**BALZAN FOOTBALL NURSERY  
INCOME ACCOUNT  
FOR THE SEASON ENDED 31 DECEMBER 2019**

-----

**INCOME**

	2019	2018
	-----	-----
	€	€
Membership fees	44,741	47,799
Transfer fees	3,050	5,650
Donations and voluntary contributions	3,060	1,150
UEFA subsidies	-	9,749
Fund raising activities	9,890	8,370
Sponsorships	49,500	32,000
Merchandising	-	1,940
	-----	-----
	110,241	106,658

**OTHER INCOME**

Ground ball boys fees	312	360
	-----	-----
<b>TOTAL INCOME</b>	110,553	107,018
	=====	=====

**BALZAN FOOTBALL NURSERY  
EXPENDITURE ACCOUNT  
FOR THE SEASON ENDED 31 DECEMBER 2019**

-----

	2019	2018
	-----	-----
	€	€
<b>EXPENDITURE</b>		
Affiliation fees and other dues	462	2,240
Transfer fees	3,200	3,450
Coaches and technical staff	102,174	97,407
Overseas travel and accommodation	426	320
Medical expenses	341	681
Transport	975	1,030
Kits, footballs and equipment	625	160
Telephones and fax	365	441
Tournament fees and trophies	1,714	1,184
Bank charges	5	14
	-----	-----
<b>TOTAL EXPENDITURE</b>	<b>110,287</b>	<b>106,927</b>
	-----	-----
<b>TOTAL INCOME (from page 1)</b>	<b>110,553</b>	<b>107,018</b>
	-----	-----
<b>EXCESS INCOME OVER EXPENDITURE</b>	<b>266</b>	<b>91</b>
	=====	=====