

FOOTBALL ASSOCIATION OF MALAWI

Financial Statements For the year ended 31 December 2021

Audit services



Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Index

The reports and statements set out below comprise the financial statements presented to the Executive Committee Members:

Index	Page
Executive Committee's Responsibilities and Approval	2
Executive Committee's Report	3
Independent Auditor's Report	4 - 6
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Changes in Funds	9
Statement of Cash Flows	10
Accounting Policies	11 - 16
Notes to the Financial Statements	17 - 24

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Executive Committee's Responsibilities and Approval

The Executive Committee members are required in terms of the Association's constitution to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Association as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with the Provisions of the Association's Constitution and International Financial Reporting Standards.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Executive Committee members acknowledge that they are ultimately responsible for the system of internal financial control established by the Association and place considerable importance on maintaining a strong control environment. To enable the Executive Committee to meet these responsibilities, the Executive Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Association is on identifying, assessing, managing and monitoring all known forms of risk across the Association. While operating risk cannot be fully eliminated, the Association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

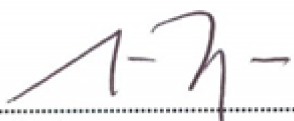
The Executive Committee members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.


The Executive Committee members have reviewed the Association's cash flow forecast for the year to December 31, 2022 and, in the light of this review and the current financial position, they are satisfied that the Association has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Association's financial statements. The financial statements have been examined by the Association's external auditors and their report is presented on pages 4 to 6.

The financial statements which have been prepared on the going concern basis, were approved by the Association's Executive Committee on 26 May 2022 and were signed on its behalf by:

Approval of financial statements:


.....
President


.....
General Secretary

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Executive Committee's Report

The executive committee members submit their report for the year ended 31 December 2021.

1. Review of activities

Main business and operations

The Association is responsible for administration of football in Malawi.

2. Members

The Executive Committee members of the Association during the year and to the date of this report are as follows:

Name	Designation	Designation
Walter Nyamilandu Manda	President	
Jabbar Alide	First vice president	
Othaniel Hara	Second vice president	
Tiya Somba Banda	Committee member	
Felister Dossi	Committee member	
Suzgo Ngwira	Committee member	
Muhammad Selemeni	Committee member	
Rashid Ntelera	Committee member	
Chimango Munthali	Committee member	
Christopher Kuyera	Committee member	

3. Secretary

The General secretary is Mr. Alfred Gift Gunda.

4. Business Address

Mpira Village,
P.O Box 51657,
Limbe.

5. Independent Auditors

AMG Global of P.O. Box 2051, Blantyre are the current auditors of Football Association of Malawi and have expressed interest to continue in office and a motion will be moved during the next Annual General Meeting to that effect.

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Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the members of Football Association of Malawi

Opinion

We have audited the financial statements of Football Association of Malawi, which comprise the statement of financial position as at 31 December, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of Football Association of Malawi as of 31 December, 2021 and of its financial performance and its cash flows for the year then ended in accordance with the provisions of the Association's Constitution and in conformity with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the International Federation of Accountants (IFAC) code of Ethics together with the ethical requirements that are relevant to our audit of the Association's financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Those Charged with Governance for the Financial Statements

Members are responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Association's constitution and in conformity with International Financial Reporting Standards, and for such internal control as members determine are 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, members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless members either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

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. We were engaged to audit the financial statements of Football Association of Malawi, which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 3 to 24. We have performed the duties of accounting officer to Football Association of Malawi for the year ended December 31, 2021 as required by Section 62 of the Close Corporations Act, 1984. We have also audited the financial statements of Football Association of Malawi, which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 3 to 24.

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 Board's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by members.

Conclude on the appropriateness of 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 Board'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 Board to cease to continue as a going concern.

Independent Auditor's Report

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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Ali Nyondo.



Signature of the Audit Firm

AMG Global, Chartered Accountants
P. O. Box 2051, Blantyre, Malawi



Signature of the Engagement Partner

Date: 26 May 2022

Football Association of Malawi

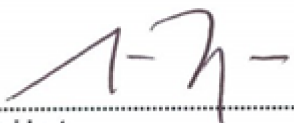
Financial Statements for the year ended 31 December 2021

Statement of Financial Position as at 31 December 2021

Figures in thousands Malawi Kwacha	Note(s)	As at 31/12/2021	As at 31/12/2020
Assets			
Non-Current Assets			
Property and equipment	2	1,743,830	1,729,442
Intangible assets	3	9,946	11,052
Other financial assets	4	5,500	4,420
		1,759,276	1,744,914
Current Assets			
Inventories	5	105,634	161,907
Trade and other receivables	6	346,247	78,358
Cash and cash equivalents	7	79,088	255,619
		530,969	495,884
Total Assets		2,290,245	2,240,798
Funds and Liabilities			
Funds			
Capital fund	8	1,290,272	1,354,816
Retained earnings		777,548	817,176
		2,067,820	2,171,992
Liabilities			
Current Liabilities			
Trade and other payables	9	222,425	68,806
Total Funds and Liabilities		2,290,245	2,240,798

The financial statements and the notes were approved by the board on 26 May 2022 and were signed on its behalf by:

Approval of financial statements


.....
President


.....
General Secretary

The accounting policies on pages 11 to 16 and the notes on pages 17 to 24 form an integral part of the financial statements.

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Statement of Profit or Loss and Other Comprehensive Income

Figures in thousands Malawi Kwacha	Note(s)	For the year ended 31/12/2021	For the year ended 31/12/2020
Share of gate takings	10	8,472	2,266
Fees and fines	11	3,030	3,160
Grants	12	3,169,473	2,278,472
Competitions	13	62,202	1,190
Investment income	14	196,262	101,833
TV rights	15	16,336	200
Other income	16	82,447	54,971
Total revenue		3,538,222	2,442,092
Operating expenses	17	(2,443,774)	(1,422,533)
Administration expenses	18	(1,136,267)	(862,541)
Operating (deficit)/surplus		(41,819)	157,018
Net finance income	19	2,192	1,821
(Deficit)/Surplus for the period		(39,627)	158,839

The accounting policies on pages 11 to 16 and the notes on pages 17 to 24 form an integral part of the financial statements.

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Statement of Changes in Funds

Figures in thousands Malawi Kwacha	Capital fund	Retained income	Total funds
Balance at January 1, 2020	1,391,301	658,337	2,049,638
Surplus for the period	-	158,839	158,839
Amortisation of capital grants	(40,635)	-	(40,635)
Additions to capital funds	4,150	-	4,150
	(36,485)	-	(36,485)
Balance at 31 December 2020	1,354,816	817,176	2,171,992
Deficit for the year	-	(39,627)	(39,627)
Additions	3,780	-	3,780
Amortisation	(68,324)	-	(68,324)
	(64,544)	-	(64,544)
Balance at 31 December 2021	1,290,272	777,549	2,067,821
Note(s)	8		

The accounting policies on pages 11 to 16 and the notes on pages 17 to 24 form an integral part of the financial statements.

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Statement of Cash Flows

Figures in thousands Malawi Kwacha	Note(s)	For the year ended 31/12/2021	For the year ended 31/12/2020
Cash flows from operating activities			
Cash used in operations	20	(74,890)	122,831
Interest received		2,192	1,821
Net cash from operating activities		(72,698)	124,652
Cash flows from investing activities			
Purchase of property and equipment	2	(109,619)	(128,949)
Proceeds from sale of property, plant and equipment	2	5,786	-
Net cash from investing activities		(103,833)	(128,949)
Total cash movement for the year		(176,531)	(4,297)
Cash at the beginning of the year		255,619	259,916
Total cash at end of the year	7	79,088	255,619
Additional information			
(Decrease)/increase in net working capital		(118,535)	87,174

The accounting policies on pages 11 to 16 and the notes on pages 17 to 24 form an integral part of the financial statements.

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements have been prepared on the historical cost basis, except for equity investments at fair value, and incorporate the principal accounting policies set out below. They are presented in Malawi Kwacha.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

Trade receivables, Held to maturity investments and Loans and receivables

The association assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the association is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The association uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the association for similar financial instruments.

Provisions

Provisions were raised and management determined an estimate based on the information available.

1.2 Property and equipment

The cost of an item of property and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Association; and
- the cost of the item can be measured reliably.

Property and equipment is initially measured at cost.

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Accounting Policies

1.2 Property and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised.

The revaluation surplus in equity related to a specific item of property and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property and equipment have been assessed as follows:

Item	Average useful life
Buildings	50 years
Furniture and fixtures	5 years
Motor vehicles	4 years
Office equipment	4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.3 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the association; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Cost is determined as the amount paid for the asset by the Association or fair value of the asset received from the donor.

Amortisation is recognised together with depreciation in the statement of profit or loss.

The assets are amortised on a straight line basis at rates calculated to write off the cost of each intangible assets, over its expected useful life as follows:

Item	Useful life
Computer software	10 years
Hotel Master System	10 years
Transfer Matching System	10 years

1.4 Financial instruments

Other financial assets

Other financial assets are measured at fair value with changes in fair value recognised in statement of profit or loss.

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Accounting Policies

1.4 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

1.6 Impairment of assets

The Association assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Association estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.7 Provisions and contingencies

Provisions are recognised when:

- the Association has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

1.8 Grants

Grants are recognised when there is reasonable assurance that:

- the Association will comply with the conditions attaching to them; and
- the grants will be received.

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Accounting Policies

1.8 Grants (continued)

Grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position as Capital Fund.

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Accounting Policies

1.9 Revenue

- Revenue represents share of gate takings, donations net of direct expenditure and miscellaneous income received in the year.
- Dividend income is recognized in the financial statements when they are declared and the Association has rights to receive.
- Share of gate takings is recognised on cash basis, on a predetermined sharing pattern of the net proceeds from gate collections.

1.10 Finance income and expenses

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognized in the statement of comprehensive income as it accrues, taking into account the effective yield on the asset.

Finance expenses comprise interest expense on borrowings, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment loss recognized on financial assets. All borrowing costs are recognized in profit or loss using the effective interest method.

1.11 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Malawi Kwacha, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Malawi Kwacha by applying to the foreign currency amount the exchange rate between the Malawi Kwacha and the foreign currency at the date of the cash flow.

1.12 New and amended standards adopted by the Association

The following amendments became effective as at 1 January 2021:

- *Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)*

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

These amendments do not have a significant impact on these Financial Statements and therefore the disclosures have not been made.

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Accounting Policies

1.12 New and amended standards adopted by the Association (continued)

New standards and interpretations not yet adopted

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Deferred Tax related to Assets and Liabilities from a Single Transaction

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Notes to the Financial Statements

Figures in thousands Malawi Kwacha

For the year ended
31/12/2021

For the year ended
31/12/2020

2. Property and equipment

	For the year ended 31/12/2021		
	Cost / Valuation	Accumulated depreciation	Carrying value
Land and buildings	1,867,717	(199,731)	1,667,986
Furniture and fixtures	54,376	(47,697)	6,679
Motor vehicles	137,441	(108,595)	28,846
Office equipment	109,692	(69,373)	40,319
In-transit assets	-	-	-
Total	2,169,226	(425,396)	1,743,830

	For the year ended 31/12/2020		
	Cost / Valuation	Accumulated depreciation	Carrying value
Land and buildings	1,774,173	(150,208)	1,623,965
Furniture and fixtures	51,847	(44,713)	7,134
Motor vehicles	146,277	(140,753)	5,524
Office equipment	99,678	(70,291)	29,387
In-transit assets	63,433	-	63,433
Total	2,135,408	(405,965)	1,729,443

Reconciliation of property and equipment - For the year ended 31/12/2021

	Opening balance	Additions	Disposals Cost	Disposals Depreciation	Transfers and other changes/ movements	Depreciation	Total
Land and buildings	1,623,965	96,548	(3,005)	1,402	(10,704)	(40,220)	1,667,986
Furniture and fixtures	7,134	2,530	-	-	(665)	(2,320)	6,679
Motor vehicles	5,523	528	(57,211)	35,720	63,433	(19,149)	28,845
Office equipment	29,387	10,013	-	-	16,633	(15,715)	40,318
In-transit Assets	63,433	-	-	-	(63,433)	-	-
	1,729,442	109,619	(60,216)	37,122	5,264	(77,404)	1,743,828

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Notes to the Financial Statements

Figures in thousands Malawi Kwacha

For the year ended
31/12/2021

For the year ended
31/12/2020

2. Property and equipment (continued)

Reconciliation of property, and equipment - For the year ended 31/12/2020

	Opening balance	Additions	Transfers	Depreciation	Total
Land and buildings	1,542,120	31,745	90,285	(40,185)	1,623,965
Furniture and fixtures	10,487	4,150	-	(7,503)	7,134
Motor vehicles	14,360	-	-	(8,837)	5,523
Office equipment	34,371	29,620	-	(34,604)	29,387
Capital work in progress	90,285	63,433	(90,285)	-	63,433
	1,691,623	128,948	-	(91,129)	1,729,442

Cash reconciliation for additions to property and equipment in the statement of cashflow

Total additions	173,052	155,800
Transfers from Work in Progress	(63,433)	(90,285)
Cash out flow	109,619	65,515

3. Intangible assets

	For the year ended 31/12/2021		
	Cost / Valuation	Accumulated amortisation	Carrying value
Accounting software	5,123	(2,818)	2,305
Hotel master system	2,400	(1,320)	1,080
Transfer matching system	14,580	(8,019)	6,561
Total	22,103	(12,157)	9,946

	For the year ended 31/12/2020		
	Cost / Valuation	Accumulated amortisation	Carrying value
Accounting software	5,124	(2,562)	2,562
Hotel master system	2,400	(1,200)	1,200
Transfer matching system	14,580	(7,290)	7,290
Total	22,104	(11,052)	11,052

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Notes to the Financial Statements

Figures in thousands Malawi Kwacha

For the year ended
31/12/2021

For the year ended
31/12/2020

3. Intangible assets (continued)

Reconciliation of intangible assets - As at 31/12/2021

	Opening balance	Other changes, movements	Amortisation	Total
Accounting software	2,562	255	(512)	2,305
Hotel master system	1,200	120	(240)	1,080
Transfer matching system	7,290	729	(1,458)	6,561
	11,052	1,104	(2,210)	9,946

Reconciliation of intangible assets - As at 31/12/2020

	Opening balance	Amortisation	Total
Accounting software	3,074	(512)	2,562
Hotel master system	1,440	(240)	1,200
Transfer master system	8,748	(1,458)	7,290
	13,262	(2,210)	11,052

4. Other financial assets

At fair value through profit or loss - designated

Listed shares - NICO Holdings	5,500	4,420
The total cost of 100,000 shares at acquisition was K20,000 and market value at 31 December 2021 was K44.20 each (As at 31 December 2020: K44.20).		

Non-current assets

At fair value through profit or loss - designated	5,500	4,420
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5. Inventories

Replica Jerseys	13,357	42,716
Footballs	2,710	5,077
Other equipment-National teams	3,110	49,416
Bar stock	416	1,955
Hotel and Restaunt food stock	1,270	-
In transit inventories	-	34,535
In-transit equipment	70,528	-
Holograms	2,616	2,617
Other equipment - Other teams	9,340	20,199
Hotel linen	2,287	5,392
	105,634	161,907

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Notes to the Financial Statements

Figures in thousands Malawi Kwacha

For the year ended 31/12/2021	For the year ended 31/12/2020
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6. Trade and other receivables

Trade receivables	106,848	17,986
Employee costs in advance	6,231	5,915
Prepayments	15,555	38,751
Other receivables	32,758	15,706
Confederation Africain De Football receivables	184,855	-
	346,247	78,358

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,006	-
Bank balances	78,082	255,619
	79,088	255,619

8. Capital fund

Land and buildings	1,290,272	1,314,956
Footballs	-	4,150
Equipment	-	35,710
Total	1,290,272	1,354,816

9. Trade and other payables

Trade payables	66,768	5,130
Chiwembe Technical Centre renovation costs payable - current portion	20,943	-
Sundry payables	-	1,000
Accrued expenses	134,714	62,676
	222,425	68,806

10. Share of gate takings

Cup games	8,356	-
League games	116	2,266
	8,472	2,266

11. Fees and fines

Fines Received	500	850
Registration Fees	2,514	2,310
ID Production Fees)	16	-
	3,030	3,160

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Notes to the Financial Statements

Figures in thousands Malawi Kwacha

For the year ended 31/12/2021	For the year ended 31/12/2020
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12. Grants

FIFA Operational costs	786,450	769,888
Other grants - National Council of Sports	738,871	122,674
FIFA-Other Grants	364,844	9,782
FIFA Travel Subsidy	153,490	146,550
Donations	21,735	500
Amotisation of Grant)	68,325	40,635
Prize Money	202,227	-
FIFA Equipment	76,745	-
FDH Sponsorship)	52,874	60,000
CAF Financial	202,113	154,816
Covid relief Funds	388,225	973,627
Fund raising - National Team	113,574	-
	3,169,473	2,278,472

13. Competitions

First Capital Bank - U20	16,501	-
FDH Cup	27,575	-
FISD Challenge	-	1,190
Airtel Top 8	18,126	-
	62,202	1,190

14. Investment income

Laundry income	5,575	1,299
Dividend income	2,268	206
Sales of Replica Jerseys	41,440	5,214
Income From Rooms	44,089	33,621
Conference Hall	845	92
Rent of Facilities	-	2,428
Ground Hire Fee	1,279	1,068
Bus Hire Fees	2,310	410
Car Park Fee	1,229	1,239
Bar Income	7,341	3,849
Restaurant Income	87,472	51,909
Gym fees	2,414	498
	196,262	101,833

15. TV rights

TV and broadcasting rights	16,336	200
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Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Notes to the Financial Statements

Figures in thousands Malawi Kwacha	For the year ended 31/12/2021	For the year ended 31/12/2020
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16. Other income

Joseph Kamwendo ceremonial match	-	3,000
Activity refunds	-	764
Perimeter Board Advertising -Local Clients	9,564	-
Sale of tender document	20	1,128
Exchange gains	61,667	47,959
Bad debts recovered	-	770
Insurance refunds	2,879	-
Radio rights	100	-
Increase in share valuation	1,080	-
Funds for third parties	982	-
Disposal of assets	5,774	1,350
Printing fees	381	-
	82,447	54,971

17. Operating expenses

Referees expenses	13,388	15,064
National teams	1,363,534	520,946
Youth Football	115,408	46,076
Competitions	122,256	17,535
Coach education	28,014	13,359
Grassroots football and academy running costs	-	3,433
Women football	316,381	179,390
Miscellaneous operating expenses	53,202	57,800
Subscriptions	32,153	1,218
Beach Soccer	5,153	14,709
Club licensing	6,933	8,496
FIFA Connect Project	3,343	9,768
Affiliates Grants	40,500	33,750
Covid 19 expenses	343,509	500,988
	2,443,774	1,422,532

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Notes to the Financial Statements

Figures in thousands Malawi Kwacha	For the year ended 31/12/2021	For the year ended 31/12/2020
18. Administration expenses		
Annual General Meeting	28,408	29,460
Auditors remuneration	10,456	9,330
Provision for bad debts	22,264	-
Bank charges	6,148	4,975
Executive members' accommodation, transport and communication costs	79,037	57,736
Depreciation	79,316	93,340
Other Governance meetings and workshops	87,161	78,101
Events and marketing	168,100	68,673
Faxes, phones, printing and stationery	23,911	24,457
Fuels	38,898	30,237
Hotel general expenses	47,522	36,830
Laundry and cleaning	622	223
Litigation costs and legal fees	10,626	10,579
Vehicle maintenance and insurance	49,587	39,056
Other professional fees	9,186	7,846
Fines	40,830	-
Premises expenses	39,552	22,649
Repairs and maintenance	4,967	1,861
Staff costs	337,165	303,752
Travelling	34,135	29,240
Utilities	18,376	14,196
	1,136,267	862,541
19. Net Financing Income		
Interest received	2,192	1,821
20. Cash used in operations		
(Deficit)/surplus for the year	(39,627)	158,839
Adjustments for:		
Profit on sale of assets	(5,774)	-
Depreciation and amortisation of assets	79,316	93,340
Amortisation of capital grants	(68,325)	(40,635)
Net financing income	(2,192)	(1,821)
Provision for bad debts	10,035	-
Fair value movement on equity investment	(1,080)	429
Movement of other capital financing	3,780	4,150
Other non-cash items (Depreciation reconciliation)	(6,071)	-
Changes in working capital:		
Inventories	56,272	(18,007)
Trade and other receivables	(277,924)	(28,480)
Other movement - NBV on disposed off vehicle	23,081	-
Trade and other payables	153,619	(44,984)
	(74,890)	122,831

Football Association of Malawi

Financial Statements for the year ended 31 December 2021

Notes to the Financial Statements

Figures in thousands Malawi Kwacha	For the year ended 31/12/2021	For the year ended 31/12/2020
------------------------------------	----------------------------------	----------------------------------

21. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

22. Events after the reporting period

Impact of COVID 19

The executive committee continues to monitor the ongoing developments regarding the COVID 19 outbreak. In relation to the economic volatility, the executive committee expects the COVID 19 outbreak to have a modest impact on its performance and expect this impact to be largely contained to the second half of 2022.

Other than the above cases, there have been no material events occurring after the statement of financial statement position date that require adjustment to or disclosure in the financial statements.