

FOOTBALL ASSOCIATION OF MALAWI

Financial Statements For the year ended 31 December 2022

Audit services



Football Association of Malawi

Financial Statements for the year ended December 31, 2022

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The reports and statements set out below comprise the financial statements presented to the executive committee:

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Football Association of Malawi

Financial Statements for the year ended December 31, 2022

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, 2023 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 29 May 2023 and were signed on its behalf by:

Approval of financial statements:


.....
President


.....
General Secretary

Football Association of Malawi

Financial Statements for the year ended December 31, 2022

Executive Committee's Report

The executive committee members submit their report for the year ended 31 December 2022.

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
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 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, 2022, 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, 2022 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.

Independent Auditor's Report

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.

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: 29 May 2023

Football Association of Malawi

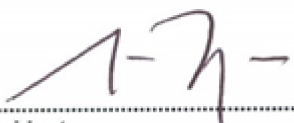
Financial Statements for the year ended December 31, 2022


Statement of Financial Position as at December 31, 2022

Figures in thousands Malawi Kwacha	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property and equipment	2	1,920,752	1,743,830
Intangible assets	3	7,736	9,946
Other financial assets	4	6,000	5,500
		1,934,488	1,759,276
Current Assets			
Inventories	5	160,042	105,634
Trade and other receivables	6	162,609	346,247
Cash and cash equivalents	7	164,416	79,088
		487,067	530,969
Total Assets		2,421,555	2,290,245
Equity and Liabilities			
Equity			
Capital fund	8	1,415,236	1,290,272
Retained earnings		751,490	777,548
		2,166,726	2,067,820
Liabilities			
Current Liabilities			
Trade and other payables	9	161,577	222,425
Deferred income		93,252	-
		254,829	222,425
Total Equity and Liabilities		2,421,555	2,290,245

The financial statements and the notes were approved by the board on 29 May 2023 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 23 form an integral part of the financial statements.

Football Association of Malawi

Financial Statements for the year ended December 31, 2022

Statement of Profit or Loss and Other Comprehensive Income

Figures in thousands Malawi Kwacha	Note(s)	2022	2021
Share of gate takings	10	141,121	8,472
Fees and fines	11	9,190	3,030
Grants	12	3,117,138	3,169,473
Competitions	13	108,851	62,202
Investment income	14	313,457	196,262
TV rights	15	347,980	16,336
Other income	16	123,378	82,447
Total revenue		4,161,116	3,538,222
Operating expenses	17	(2,446,289)	(2,443,774)
Administration expenses	18	(1,745,499)	(1,136,267)
Operating deficit		(30,672)	(41,819)
Net finance income	19	4,614	2,192
Deficit for the year		(26,058)	(39,627)

The accounting policies on pages 11 to 16 and the notes on pages 17 to 23 form an integral part of the financial statements.

Football Association of Malawi

Financial Statements for the year ended December 31, 2022

Statement of Changes in Funds

Figures in thousands Malawi Kwacha	Capital fund	Retained income	Total equity
Balance at January 1, 2021	1,354,816	817,176	2,171,992
Deficit for the period	-	(39,627)	(39,627)
Additions	3,780	-	3,780
Amortisation	(68,324)	-	(68,324)
	(64,544)	-	(64,544)
Balance at January 1, 2022	1,290,272	777,549	2,067,821
Deficit for the year	-	(26,058)	(26,058)
Additions	166,836	-	166,836
Amortisation	(41,872)	-	(41,872)
	124,964	-	124,964
Balance at 31 December 2022	1,415,236	751,491	2,166,727
Note(s)	8		

The accounting policies on pages 11 to 16 and the notes on pages 17 to 23 form an integral part of the financial statements.

Football Association of Malawi

Financial Statements for the year ended December 31, 2022

Statement of Cash Flows

Figures in thousands Malawi Kwacha	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	20	342,764	(74,890)
Interest received		4,614	2,192
Net cash from operating activities		347,378	(72,698)
Cash flows from investing activities			
Purchase of property and equipment	2	(264,550)	(109,619)
Proceeds from sale of property and equipment	2	2,500	5,786
Net cash from investing activities		(262,050)	(103,833)
Total cash movement for the year		85,328	(176,531)
Cash at the beginning of the year		79,088	255,619
Total cash at end of the year	7	164,416	79,088
Additional information			
Decrease in net working capital		(76,306)	(118,535)

The accounting policies on pages 11 to 16 and the notes on pages 17 to 23 form an integral part of the financial statements.

Football Association of Malawi

Financial Statements for the year ended December 31, 2022

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 company 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 company 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 company 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 company 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.

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Financial Statements for the year ended December 31, 2022

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 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 December 31, 2022

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.

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Financial Statements for the year ended December 31, 2022

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 December 31, 2022

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 2022:

• Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 1

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

• Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

Football Association of Malawi

Financial Statements for the year ended December 31, 2022

Accounting Policies

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

• Reference to the Conceptual Framework – Amendments to IFRS 3.

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The company also elected to adopt the following amendments early:

• Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12

In May 2021, the IASB issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

IFRS 17: Insurance Contracts

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Definition of Accounting Estimates - Amendments to IAS 8

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

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 December 31, 2022

Notes to the Financial Statements

Figures in thousands Malawi Kwacha

2022

2021

2. Property and equipment

	2022		
	Cost / Valuation	Accumulated depreciation	Carrying value
Land and buildings	1,867,717	(235,707)	1,632,010
Furniture and fixtures	58,154	(49,990)	8,164
Motor vehicles	390,696	(143,118)	247,578
Office equipment	115,141	(82,744)	32,397
Work in Progress	603	-	603
Total	2,432,311	(511,559)	1,920,752

	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
Work in Progress	-	-	-
Total	2,169,226	(425,396)	1,743,830

Reconciliation of property and equipment - 2022

	Opening balance	Additions	Disposals Cost	Disposals Depreciation	Depreciation	Total
Land and buildings	1,667,986	-	-	-	(35,976)	1,632,010
Furniture and fixtures	6,679	3,778	-	-	(2,293)	8,164
Motor vehicles	28,846	253,708	-	-	(34,977)	247,578
Office equipment	40,319	6,460	(1,010)	269	(13,641)	32,397
Work in Progress	-	603	-	-	-	603
	1,743,830	264,549	(1,010)	269	(86,887)	1,920,752

Reconciliation of property and equipment - 2021

	Opening balance	Additions	Disposals Cost	Disposals Depreciation	Transfers and other changes/mov ements	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	63,434	(19,149)	28,846
Office equipment	29,387	10,013	-	-	16,634	(15,715)	40,319
Capital work in progress	63,433	-	-	-	(63,433)	-	-
	1,729,442	109,619	(60,216)	37,122	5,266	(77,404)	1,743,830

Football Association of Malawi

Financial Statements for the year ended December 31, 2022

Notes to the Financial Statements

Figures in thousands Malawi Kwacha	2022	2021
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2. Property and equipment (continued)

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

Total additions	264,549	173,052
Transfers from Work in Progress	-	(63,433)
Cash out flow	-	109,619

3. Intangible assets

	2022		
	Cost / Valuation	Accumulated amortisation	Carrying value
Accounting software	10,246	(6,660)	3,586
Hotel master system	2,400	(1,920)	480
Transfer matching system	14,580	(11,664)	2,916
Total	27,226	(20,244)	6,982

	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

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Accounting software	2,305	(512)	1,793
Hotel master system	1,080	(240)	840
Transfer matching system	6,561	(1,458)	5,103
	9,946	(2,210)	7,736

Reconciliation of intangible assets - 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 master system	7,290	729	(1,458)	6,561
	11,052	1,104	(2,210)	9,946

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Financial Statements for the year ended December 31, 2022

Notes to the Financial Statements

Figures in thousands Malawi Kwacha	2022	2021
4. Other financial assets		
At fair value through profit or loss - designated		
Listed shares - NICO Holdings	6,000	5,500
The total cost of 100,000 shares at acquisition was K20,000 and market value at 31 December 2022 was K44.20 each (As at 31 December 2021: K44.20).		
Non-current assets		
At fair value through profit or loss - designated	6,000	5,500
5. Inventories		
Replica Jerseys	4,250	13,357
Footballs	-	2,710
Other equipment-National teams	47,111	3,110
Bar stock	561	416
Hotel and Restaunt food stock	1,892	1,270
Pennants	340	-
In-transit equipment	87,065	70,528
Holograms	1,477	2,616
Other equipment - Other teams	17,346	9,340
Hotel linen	-	2,287
	160,042	105,634
6. Trade and other receivables		
Trade receivables	121,904	106,848
Employee costs in advance	15,383	6,231
Prepayments	8,810	15,555
Other receivables	16,512	32,758
Confederation Africain De Football receivables	-	184,855
	162,609	346,247
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	-	1,006
Bank balances	164,416	78,082
	164,416	79,088
8. Capital fund		
Land and buildings	1,258,827	1,290,272
Flames Bus	156,409	-
Total	1,415,236	1,290,272

Football Association of Malawi

Financial Statements for the year ended December 31, 2022

Notes to the Financial Statements

Figures in thousands Malawi Kwacha	2022	2021
9. Trade and other payables		
Trade payables	14,634	66,768
Sundry payables	47,628	20,943
Accrued expenses	99,315	134,714
	161,577	222,425
10. Share of gate takings		
Cup games	43,078	8,356
International Games	56,814	-
League games	41,229	116
	141,121	8,472
11. Fees and fines		
Fines Received	2,060	500
Registration Fees	3,880	2,514
Club licensing, ID Production and intermediary fees	3,250	16
	9,190	3,030
12. Grants		
FIFA Operational costs	919,045	786,450
Other grants - National Council of Sports	632,595	738,871
FIFA-Other Grants	236,701	364,844
FIFA Travel Subsidy	162,400	153,490
Donations-Companies and individuals	161,468	21,735
Amotisation of	41,872	68,325
CAF-Prize money (AFCON qualifiers)	569,957	202,227
FIFA Equipment	-	76,745
FDH Sponsorship	120,000	52,874
CAF Financial	256,523	202,113
Covid relief Funds	-	388,225
Fund raising - National Team	16,577	113,574
	3,117,138	3,169,473
13. Competitions		
First Capital Bank - U20	-	16,501
FDH Cup	29,175	27,575
STD Bank Unayo	46,125	-
Charity Shield	15,190	-
Airtel Top 8	18,361	18,126
	108,851	62,202

Football Association of Malawi

Financial Statements for the year ended December 31, 2022

Notes to the Financial Statements

Figures in thousands Malawi Kwacha	2022	2021
14. Investment income		
Laundry income	7,460	5,575
Dividend income	375	2,268
Sales of Replica Jerseys	100,914	41,440
Income From Rooms	51,979	44,089
Conference Hall	1,792	845
Ground Hire Fee	7,786	1,279
Bus Hire Fees	7,034	2,310
Car Park Fee	1,229	1,229
Bar Income	16,168	7,341
Restaurant Income	114,067	87,472
Gym fees	4,653	2,414
	313,457	196,262
15. TV Rights		
TV and broadcasting rights	347,980	16,336
16. Other income		
Perimeter Board Advertising-Local Clients	-	9,564
Sale of tender documents	210	20
Exchange gains	119,695	61,667
Insurance refunds	-	2,879
Radio rights	447	100
Increase in share valuation	500	1,080
Funds for third parties	-	982
Disposal for assets	2,526	5,774
Printing fees	-	381
	123,378	82,447
17. Operating expenses		
Referees expenses	43,897	13,388
National teams	1,584,502	1,379,030
Youth Football	82,139	115,408
Competitions	129,391	122,256
Coach education	48,224	28,014
Women football	203,513	316,381
Miscellaneous operating expenses	34,569	53,202
Subscriptions	4,898	16,657
Beach Soccer	257,952	5,153
Club licensing	8,330	6,933
FIFA Connect Project	6,124	3,343
Affiliates Grants	42,750	40,500
Covid 19 expenses	-	343,509
	2,446,289	2,443,774

Football Association of Malawi

Financial Statements for the year ended December 31, 2022

Notes to the Financial Statements

Figures in thousands Malawi Kwacha	2022	2021
18. Administration expenses		
Annual General Meeting	54,776	28,408
Auditors remuneration	9,974	10,456
Provision for bad debts	-	22,264
Bank charges	6,290	6,148
Executive members' accomodation, transport and communication costs	74,928	79,037
Depreciation	89,098	79,316
Other Governance meetings and workshops	70,759	87,501
Events and marketing	356,258	168,100
Faxes, phones, printing and stationery	27,007	23,911
Fuels	84,631	38,898
Hotel general expenses	42,583	47,522
Laundry and cleaning	95	622
Litigation costs and legal fees	25,185	10,626
Vehicle maintenance and insurance	53,290	49,587
Other professional fees	9,320	9,186
Fines	4,060	40,830
Premises expenses	47,350	39,552
Repairs and maintenance	1,979	4,967
Staff costs	625,731	337,165
Travelling	145,945	34,135
Utilities	16,240	18,036
	1,745,499	1,136,267
19. Net Financing Income		
Interest received	4,614	2,192
20. Cash generated from operations		
(Deficit)/surplus for the year	(26,058)	(39,627)
Adjustments for:		
Profit on sale of assets	(2,526)	(5,774)
Depreciation and amortisation of assets	89,098	79,316
Amortisation of capital grants	(41,872)	(68,325)
Net financing income	(4,614)	(2,192)
Provision for bad debts	(1,800)	10,035
Fair value movement on equity investment	(500)	(1,080)
Movement of other capital financing	166,836	3,780
Other non-cash items (Depreciation reconciliation)	-	(6,071)
Changes in working capital:		
Inventories	(54,408)	56,272
Trade and other receivables	185,438	(277,924)
Prepayments	767	23,081
Trade and other payables	(60,848)	153,619
Deferred income	93,251	-
	342,764	(74,890)

Football Association of Malawi

Financial Statements for the year ended December 31, 2022

Notes to the Financial Statements

Figures in thousands Malawi Kwacha	2022	2021
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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

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.