

HIBERNIANS FC

Annual Financial Report

&

Financial Statements

31 December 2019

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2019

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GENERAL INFORMATION

Registration

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

Officials & other Committee Members:

President: Mr Anthony Bezzina

Secretary: Mr Stephen Abela

Treasurer: Mr Victor Ellul

Other committee members:

Mr David Abdilla – Vice President

Mr Alex Montebello – Vice President

Mr Stefan Zahra – Assistant Secretary /PRO

Mr Godwin Attard – Member

Mr Martin Brincat – Member

Mr Daren Lynch – Assistant PRO

Mr Jesmond Abela – Team Manager

Club Address:

158 Antoine de Paule Square, Paola PLA 02, Malta

Bankers Address:

Bank of Valletta Plc, Racecourse Street, Marsa, Malta

Auditor:

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

COMMITTEE MEMBERS' REPORT

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

Principal activity

Hibernians Football Club is constituted in accordance with the rules and regulations of the Malta Football Association and observes the rules, regulations and decisions of the Malta Football Association as well as those of the Fédération Internationale de Football Association (FIFA) and of the Union des Associations Européennes de Football (UEFA).

Results

The income statement is set out on page 9.

Review of the year

The club's total income during the year amounted to €752,786. After deducting all operating and finance costs, the Club achieved a net profit for the year amounted to €23,217. The profit for the year is stated net of a loss incurred by the Hibernians Nursery amounting to €4,740.

Committee members

During the year ended 31 December 2019, committee members were as listed on page 3.

Statement of committee members' responsibilities

In terms of the licensing regulations applicable to Premier Division Member Clubs, the club is to prepare financial statements for each financial period which give a true and fair view of the balance sheet of the club as at the end of the financial period and of the profit or loss for that period.

In preparing the financial statements, the club is required to: -

- adopt the going concern basis unless it is inappropriate to presume that the club will continue to function;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accrual basis; and
- prepare the financial statements in accordance with the Accountancy Professional (General Accounting Principles for Small and Medium-Sized Entities) Regulations 2015, and the Schedule accompanying and forming an integral part of those Regulations (GAPMSE).

COMMITTEE MEMBERS' REPORT - continued

Statement of committee members' responsibilities (continued)

The Committee Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Club. This responsibility includes designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the Club and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Joseph C Schembri FCCA, FIA, CPA has expressed his willingness to continue in office and a resolution for his re-appointment will be proposed at the Annual General Meeting.

The committee members report was approved by the members and was signed on its behalf by



Mr. Anthony Bezzina (President)



Mr. Victor Ellul (Treasurer)



Mr. Stephen Abela (Secretary)

24 March 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Hibernians Football Club

Opinion

I have audited the financial statements of Hibernians Football Club ("the Club"), which comprise the balance sheet as at 31 December 2019, and the income statement, statement of changes in equity and cash flows statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In my opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Club as at 31 December 2019, and of its income statement 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

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am 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 I have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

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

INDEPENDENT AUDITOR'S REPORT (continued)
To the members of Hibernians Football Club

Responsibilities of the Committee Members (Contd.)

In preparing the financial statements, the Committee Members are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern; and

INDEPENDENT AUDITOR'S REPORT (continued)
To the members of Hibernians Football Club

Auditor's Responsibilities for the Audit of the Financial Statements (Contd.)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Committee Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Joseph C Schembri

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

24 March 2020

Hibernians Football Club
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INCOME STATEMENT

	Notes	2019 €	2018 €
Income	2	752,786	294,424
Expenditure- Operating Costs	3	<u>(723,816)</u>	<u>(634,587)</u>
Operating Profit /(Loss)		28,970	(340,163)
Interest payable	5	(5,753)	(4,403)
Profit /(Loss) for the Year		<u>23,217</u>	<u>(344,566)</u>

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

Hibernians Football Club
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BALANCE SHEET

At 31 December

	2019	2018
N	€	€
Fixed assets		
Intangible assets	7 48,000	-
Tangible fixed assets	8 1,066	-
	<u>49,066</u>	-
Current assets		
Receivables	9 254,167	54,243
Cash at bank and in hand	13 105,858	62,214
	<u>360,025</u>	<u>116,457</u>
Total Assets	<u>409,091</u>	<u>116,457</u>
ACCUMULATED FUNDS AND LIABILITIES		
Accumulated fund	(1,535,091)	(1,558,308)
Reserves	<u>188,756</u>	<u>188,756</u>
Total Equity Deficiency	<u>(1,346,335)</u>	<u>(1,369,552)</u>
Payables: falling due after more than one year		
Non-Interest bearing borrowings	11 1,472,156	1,331,615
	<u>1,472,156</u>	<u>1,331,615</u>
Payables: falling due within one year		
Interest bearing bank borrowings	10 225,373	109,551
Trade and other liabilities	12 57,897	44,843
	<u>283,270</u>	<u>154,394</u>
Total liabilities	<u>1,755,426</u>	<u>1,486,009</u>
TOTAL ACCUMULATED FUND AND LIABILITIES	<u>409,091</u>	<u>116,457</u>

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

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



Mr. Anthony Bezzina
(President)



Mr. Victor Ellul
(Treasurer)



Mr. Stephen Abela
(Secretary)

24 March 2020

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2019

STATEMENT OF CHANGES IN EQUITY

	General reserve €	Accumulated fund €	Total €
Financial year ended 31 December 2018			
Balance at 01 January 2018	188,756	(1,213,742)	(1,024,986)
<i>Loss for the financial year</i>	-	(344,566)	(344,566)
Balance at 31 December 2018	188,756	(1,558,308)	(1,369,552)
Financial year ended 31 December 2019			
Balance at 01 January 2019	188,756	(1,558,308)	(1,369,552)
<i>Profit for the financial year</i>	-	23,217	23,217
Balance at 31 December 2019	188,756	(1,535,091)	(1,346,335)

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

Hibernians Football Club
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STATEMENT OF CASH FLOWS

	2019	2018
Note	€	€
Cash flows from operating activities		
Profit/ (Loss) for the Year	23,217	(344,566)
Adjustments for:		
Depreciation of tangible fixed assets	533	-
Amortisation of Intangible Assets	12,000	-
Finance Costs	5,753	4,403
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	41,503	(340,163)
Increase /(decrease) in debtors	(199,924)	3,498
(Increase)/decrease in creditors	13,054	(22,659)
	<hr/>	<hr/>
Cash generated from/(used in) operations	(145,367)	(359,324)
Interest received	-	(47)
	<hr/>	<hr/>
Net cash from/(used in) operating activities	(145,367)	(359,371)
Cash flows from investing activities		
Interest Received	-	47
Purchases of Fixed Assets	(1,599)	-
Acquisition of Player	(60,000)	-
	<hr/>	<hr/>
Net cash from (used in) investing activities	(61,599)	47
Cash flows from financing activities		
Bank Loan Received	327,020	-
Bank Loan repaid	(185,020)	(5,531)
Movement in Related Party Loans Payable	140,541	317,039
Bank Interest Paid	(5,753)	(4,403)
	<hr/>	<hr/>
Net cash from/(used in) financing activities	276,788	307,105
	<hr/>	<hr/>
Net movement in cash and cash equivalents	69,822	(52,219)
	<hr/>	<hr/>
Cash and cash equivalents at beginning of year	(47,337)	4,882
	<hr/>	<hr/>
Cash and cash equivalents at end of year	13 22,485	(47,337)

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

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING CONVENTION AND BASIS OF PREPARATION

These financial statements are prepared in accordance with the provisions of licensing Regulations for Premier Division member clubs and in accordance with 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 18.

2 SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the club and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Gate receipts are recognised over the period of the season.

Marketing, sponsorship and advertising are recognised over the duration of the respective contracts.

Broadcasting rights are taken in proportion to the number of matches played.

Merchandising and catering are recognised on an earned basis.

Football related rental income is recognised over the duration of the contract.

Donations and other third party contributions are recognised on a cost basis.

Interest income is recognised as the interest accrues, unless collectability is in doubt.

NOTES TO THE FINANCIAL STATEMENTS - continued

2. SIGNIFICANT ACCOUNTING POLICIES -continued

Foreign currencies

Transactions in foreign currencies have been converted into euro at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies have been translated into euro at the rates of exchange ruling at the statement of financial position date. All resulting differences are taken to the profit and loss account.

Intangibles assets

Player registration costs

Player registration costs are recognised as an asset to the extent that it is expected that such players will be utilised throughout their contract period.

Player registration costs (including agent and other directly attributable costs) are amortised on a straight-line basis over the period of their contract.

At each statement of financial position date, the club assesses whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated, impairment is passed through the profit and loss.

Internally generated intangible assets are held at nil value. Any costs (including, but not necessarily limited to agent and other directly attributable costs) incurred in extensions to player's original contract are capitalised and amortised over the period of the extended contract.

Gains and losses on sale of players are determined by reference to their carrying amount and are taken into account in determining the profit on ordinary activities.

Tangible fixed assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued

2. SIGNIFICANT ACCOUNTING POLICIES -continued

Receivables

Receivables 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.

Amounts owed by related parties are recognised and carried at cost.

Cash and cash equivalents

Cash in hand and at banks and short-term deposits which are held to maturity are carried at cost.

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash in hand and deposits at banks, net of bank overdrafts.

Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received and including acquisition charges associated with the borrowing/loan.

Borrowing costs are recognised as an expense in the period in which they are incurred.

Trade and other payables

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

Events after the reporting period

Post year-end events that provide additional information about the Club's financial position at the end of reporting period (adjusting events) are recognised in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Hibernians Football Club
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NOTES TO THE FINANCIAL STATEMENTS - continued

2. INCOME

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

	2019	2018
	Euro	Euro
Commercial		
Membership Fees	8,250	1,250
National competitions participation & prize money	17,000	-
Youth Player Scheme	4,750	-
Income from Disposal of Players		
Transfer Fees	115,250	121,864
Contributions and Donations from Related Parties		
Sponsorships	-	84,000
Other Income		
Gate Money	27,415	13,961
Nursery Income	80,240	59,774
Women's Football Team	-	2,300
TV Rights	-	4,107
UEFA Solidarity and Participation Income	3,100	3,250
UEFA Fair Play	5,430	-
UEFA Championship	490,000	-
Third Party Sponsorships	-	3,800
Donations	-	-
Other Income	1,351	118
	752,786	294,424

Hibernians Football Club
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NOTES TO THE FINANCIAL STATEMENTS - continue

3. PROFIT AND LOSS

The profit and loss is stated after charging:

	2019	2018
	Euro	Euro
Cost Of Sales		
Affiliation Fee	500	500
Rents of Grounds	1,630	8,399
Medical Expenses	7,257	9,091
Overseas Travelling and Entertainment	-	3,017
Transport	-	5,600
Players Expenses including Visas and other	5,392	12,531
Seasons Tickets	-	4,480
Other Operating Expenses		
Players Wages and Salaries including NIC	540,671	451,394
Players Accommodation and Other Related Costs	30,684	36,315
Fines	3,410	2,760
Nursery Operating Costs	84,980	68,564
Women's Team Costs	1,461	4,851
Courses	-	600
Youth Football Association	502	-
Costs of Acquiring Players		
Transfer Fees	5,000	750
Agents Fees	-	4,000
Signing On Fees	-	2,200
Compensation Paid to Clubs	18,000	3,700
Commission	-	2,530
Match Expenses	2,814	250
Administration and Other Costs		
Office Expenses and Licences	-	100
Professional Fees	-	300
Exchange Fluctuation Loss	-	3,668
Printing and Stationary	1,324	500
Telecommunications	-	715
Property and Facilities Expenses		
Rent and Insurance	1,200	1,200
Repairs and Maintenance	3,730	426
Water and Electricity	263	136
Security Fees	195	-
General expenses	588	1,667
Total Carried Forward	709,075	630,244

Hibernians Football Club
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NOTES TO THE FINANCIAL STATEMENTS - continue

3. PROFIT AND LOSS (CONTD.)

	2019	2018
	Euro	Euro
Costs Brought Forward	709,075	630,244
Sponsorship and Advertising		
Advertising	-	300
Donations	50	-
Finance Expenses		
Bank Charges	2,158	4,043
Depreciation of Tangible Assets	533	-
Amortisation of Intangible Assets	12,000	-
	723,816	634,587

4. STAFF COSTS

The staff costs incurred during the year were as follows:

	2019	2018
	€	€
Wages and salaries – Club	540,671	451,394
Wages and salaries - Nursery	46,863	40,409
Wages and salaries – Women's Team	-	2,650
	587,534	494,453

Gross salaries include the football club, nursery and women's team contribution to national insurance amounting to €15,063.

The average number of persons employed by the football club during the year amounted to 14 (2018: 14) employees.

5. INTEREST PAYABLE

	2019	2018
	€	€
Bank Interest	5,753	4,403
	=====	=====

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS - continued

6. INCOME TAX

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

7. INTANGIBLE ASSETS

	Player Registration Costs €	Other Intangible Assets €	Total Intangible Assets €
Year ended 31 December 2019			
Opening net book amount	-	-	-
Additions during the year	60,000	-	60,000
Amortisation for the year	-12,000	-	-12,000
Impairment of assets	-	-	-
Closing net book amount	48,000	0	48,000
At 31st December 2019			
Cost	120,097	-	120,097
Accumulated amortisation	(72,097)	-	(72,097)
Net book amount	48,000	0	48,000
At 31st December 2018			
Cost	60,097	-	60,097
Accumulated amortisation	(60,097)	-	(60,097)
Net book amount	0	0	0

7.1 PLAYER IDENTIFICATION TABLE

	Date of Birth	Start Date of Contract	End Date of Contract	Cost of Registration €	Amortisation for Year €	Closing net book amount €
Financial year ended 31/12/19						
Jake Grech	<u>18/11/ 1997</u>	<u>30 Jan 2019</u>	<u>30 Jan 2024</u>	60,000	12,000	48,000
Balance at 31 Dec 2019				60,000	12,000	48,000

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During the period under review the following players were sold by the club at the amounts stated below:

		€
Johann Bezzina	10/1/2019	100,000
Fonseca Tiago Adan	8/7/2019	9,000
Ruby Briffa	9/8/2019	3,000
Ntow Isaac	19/8/2019	2,500
Total for year		114.500

Hibernians Football Club
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NOTES TO THE FINANCIAL STATEMENTS - continued

8. TANGIBLE FIXED ASSETS

	Office equipment & furnishings	Building Equipment & Services	Buildings & improvements	Plant and machinery	IT equipment & software	Total
	€	€	€	€	€	€
Year ended 31 December 2019						
Opening net book amount	-	-	-	-	-	-
Additions	-	-	-	-	1,599	1,599
Disposals	-	-	-	-	-	-
Depreciation charge	-	-	-	-	(533)	533
Depreciation released on disposals	-	-	-	-	-	-
Closing net book amount	-	-	-	-	1,066	1,066
At 31 December 2019						
Cost	-	-	2,329	4,892	1,599	8,820
Accumulated depreciation	-	-	(2,329)	(4,892)	(533)	(7,754)
Net book amount	-	-	-	-	1,066	1,066
At 31 December 2018						
Cost	-	-	2,329	4,892	-	7,221
Accumulated depreciation	-	-	(2,329)	(4,892)	-	(7,221)
Net book amount	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued

9. RECEIVABLES

	2019	2018
	€	€
Dues in relation to player transfers	2,500	54,000
Other debtors	1,667	234
UEFA Accrued Income	250,000	-
	254,167	54,234

10. INTEREST BEARING BORROWINGS

	2019	2018
	€	€
Falling due after more than one year		
Bank loans	-	-
Falling due within one year		
Bank loans	142,000	-
Bank overdraft	83,373	109,551
	225,373	109,551
Total borrowings	225,373	109,551

The club has bank overdraft facility of €81,550. The bank overdraft and bank loans are partly secured by the club president and a related company. The temporary bank loan at year end was to be repaid out of proceeds from UEFA.

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

	2019	2018
	%	%
Bank overdraft	5.65	5.65
Bank loan	5.65	5.65

NOTES TO THE FINANCIAL STATEMENTS - continue

11. NON -CURRENT LIABILITIES

	2019	2018
	€	€
Falling due after one year		
Balance due to Committee Member	1,089,056	948,515
Balance due to Related Company	383,100	383,100
	<u>1,472,156</u>	<u>1,331,615</u>

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

12. TRADE AND OTHER LIABILITIES

	2019	2018
	€	€
Falling due within one year		
Indirect tax and social security contributions	46,993	30,651
Accruals and deferred income	10,904	14,192
	<u>57,897</u>	<u>44,843</u>

The indirect tax and social security contributions balance as at 31 December 2019 were settled in January 2020.

13. CASH AND CASH EQUIVALENTS

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

	2019	2018
	€	€
Cash at bank and in hand	105,858	62,214
Bank Overdraft	(83,373)	(109,551)
	<u>22,485</u>	<u>(47,337)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14. CAPITAL COMMITMENTS

	2019	2018
	€	€
Authorised but not contracted for	<u>Nil</u>	<u>nil</u>

15. CONTINGENT LIABILITIES

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

16. FINANCIAL INSTRUMENTS

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

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

Timing of cash flows

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

Credit risk

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

The club's cash at bank is placed with quality financial institutions. The club had a concentration of credit risk with respect to trade debtors. No trade debtors were outstanding at balance sheet date. Carrying amounts for trade and other debtors are stated net of the necessary general provisions which have been prudently made against bad and doubtful debts in respect of which the committee reasonably believes that recoverability is doubtful.

Liquidity risk

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

Fair values

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

NOTES TO THE FINANCIAL STATEMENTS - continued

16. FINANCIAL INSTRUMENTS – continued

Interest rate risk

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

Currency risk

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

17. RELATED PARTIES

Loans from committee members

The club took out a loan from Mr Anthony Bezzina, the Club's president. The amount due to the member is unsecured, bears no interest and has no fixed date for repayment. The outstanding balance on this loan is shown with non-current creditors in Note 11.

In prior years the club took out a loan from a related party. The amount due to the related party is unsecured, bears no interest and has no fixed date for repayment.

The outstanding balance on this loan is shown with non-current creditors in Note 11.

Other transactions with other related parties

The following transactions with related parties were also conducted:

<i>Movement in Loan Balances</i>	€140,541
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Outstanding balances with other related parties on these transactions are shown with non-current liabilities in Note 11.

18. 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 balance sheet and income statement.

19. EVENTS AFTER THE REPORTING PERIOD

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

20. MINIMUM DISCLOSURES

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