

**Hamrun Spartans F.C.**

**Annual Financial Report**

**&**

**Financial Statements**

**31 December 2020**

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## **GENERAL INFORMATION**

### **Registration**

Hamrun Spartans Football Club is registered in Malta with the Malta Football Association.

### **Officials & other Executive Committee Members:**

President: Mr Joseph Portelli

Vice President: Mr Gaetano Debattista

Secretary: Mr Stephan Saliba

Treasurer: Mr Antoine Attard M.A. (Econ.) B.com, (Hons.) (Bkg. & Fin.)

Other Executive Committee Members: Mr Francesco De Rosa B.Com. (Econ. & Mngt delle Imprese Int.)( Univ.degli Studi di Napoli Parthenope), Ms Jodie Saliba, Mr Gaetano Thewma, Mr Victor Cassar, Mr Marcel Bonnici, Mr Nunzio Antignani, Mr Alan Cutajar, Ms Joanne Debattista, Mr Andrei Dimech, Mr Brian Degabriele Dpa (melit), HDPAF, Exec M.B.A. and Mr Eric Saliba

**Club Address:** 143, Triq il-Kbira San Guzepp, Hamrun

**Bankers Address:** Bank of Valletta p.l.c., Hamrun

**Auditor:** Mr John C Buttigieg

## **EXECUTIVE COMMITTEE MEMBERS' REPORT**

The Executive Committee Members submit their annual report and the audited financial statements for the year ended 31 December 2020.

### **Principal activity**

Hamrun Spartans 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 statement of comprehensive income is set out on page 9.

### **Review of the year**

The Club generated a profit of €37,359 during the year under review.

### **Executive Committee Members**

During the year ended 31 December 2020, the Executive Committee Members were as listed on page 3.

### **Statement of Executive Committee Members' responsibilities**

In terms of the licensing regulations applicable to Premier Division member clubs, the Club is to prepare financial statements for each financial period which give a true and fair view of the financial position of the Club as at the end of the financial period and of the profit or loss for that period.

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

- adopt the going concern basis unless it is inappropriate to presume that the Club will continue to function;
- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accrual basis;
- value separately the components of asset and liability items;
- report comparative figures corresponding to those of the preceding accounting period; and
- prepare the financial statements in accordance with the requirements of the International Financial Reporting Standards as adopted by the EU and Voluntary Organisations Act (Cap.492) enacted in Malta.

**EXECUTIVE COMMITTEE MEMBERS' REPORT - continued**

**Statement of Executive Committee Members' responsibilities (continued)**

The Executive 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.

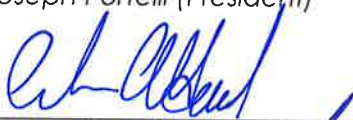
**Auditor**

Mr John C Buttigieg has been appointed auditor on the 12 January 2021 and he expressed his willingness to continue in office and a resolution for his re-appointment will be proposed at the Annual General Meeting.

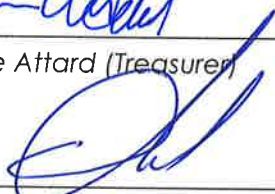
The Executive Committee Members' report was approved by the members and was signed on its behalf by:



Mr Joseph Portelli (President)



Mr Antoine Attard (Treasurer)



Mr Stephan Saliba (Secretary)

Date: 30 March 2021

## **INDEPENDENT AUDITOR'S REPORT**

### **To the members of Hamrun Spartans Football Club**

#### **Opinion**

I have audited the accompanying financial statements of Hamrun Spartans Football Club ("the Club"), set out on pages 9 to 26, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the financial position of the Club as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Voluntary Organisations Act (Cap. 492) enacted in Malta..

#### **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 my report. I am independent of the Club in accordance with the ethical requirements of both the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta that are relevant to our audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the IESBA Code and the Code of Ethics for Warrant Holders in Malta. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Material Uncertainty Related to Going Concern**

I draw attention to Note 2 in the financial statements, which indicates that the Club incurred a net profit of €37,359 during the year ended 31 December 2020 and, as of that date, the Club's current liabilities exceeded its total assets by €751,544. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Club's ability to continue as a going concern. My opinion is not modified in respect of this matter.

#### **Other Information**

The Executive Committee Members are responsible for the other information. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **To the members of Hamrun Spartan Football Club**

#### **Other Information (continued)**

In addition, in light of the knowledge and understanding of the Club and its environment obtained in the course of the audit, I am required to report if I have identified material misstatements in the Executive Committee members' report and other information. I have nothing to report in this regard.

#### **Responsibilities of the Executive Committee Members**

The Executive Committee Members are responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the International Financial Reporting Standards as adopted by the EU and Voluntary Organisation Act (Cap. 492), enacted in Malta and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**To the members of Hamrun Spartans Football Club**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee Members;
- Conclude on the appropriateness of the Executive Committee Members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Executive 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.

**Report on Other Legal and Regulatory Requirements**

Under the Voluntary Organisations Act (Cap. 492) I am required to report to you if, in my opinion:

- I have not received all the information and explanations I require for my audit,
- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches not visited by me.
- The financial statements are not in agreement with the accounting records and returns.

I have nothing to report to you in respect of these responsibilities.



This copy of the audit report has been signed by  
Mr John C Buttigieg  
Certified Public Accountant

23, Capital Heights,  
George Borg Olivier Street,  
Victoria, VCT 2519  
Gozo

30 March 2021



**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	2020 €	2019 €
Income	3	<b>1,056,488</b>	395,634
Expenditure	4	<b>(1,017,227)</b>	(2,373,508)
Other Income	5	-	1,520,662
<b>Operating profit/(loss)</b>		<b>39,261</b>	(457,212)
Interest payable and similar charges	6	<b>(1,902)</b>	(258)
<b>Profit/(loss) for the year:</b>		<b>37,359</b>	<b>(457,470)</b>

**STATEMENT OF FINANCIAL POSITION**

**At 31 December 2020**

	Notes	2020 €	2019 €
<b>Non-current assets</b>			
Intangible assets	9	198,990	5,682
Property, plant, and equipment	10	-	79,125
		<u>198,990</u>	<u>84,807</u>
<b>Current assets</b>			
Receivables	11	229,553	89,987
Cash at bank and in hand	12	398	2,086
		<u>229,951</u>	<u>92,073</u>
<b>TOTAL ASSETS</b>		<b>428,941</b>	176,880
<b>ACCUMULATED FUNDS AND LIABILITIES</b>			
<b>Accumulated fund and surplus</b>			
Accumulated fund		37,359	(331,433)
Reserves		<u>(788,903)</u>	<u>(457,470)</u>
<b>Total equity</b>		<b>(751,544)</b>	(788,903)
<b>Non-current liabilities</b>			
Other liabilities	13	917,124	625,283
		<u>917,124</u>	<u>625,283</u>
<b>Current liabilities</b>			
Borrowings	14	27,654	35,000
Trade and other liabilities	15	235,707	305,500
		<u>263,361</u>	<u>340,500</u>
<b>Total liabilities</b>		<b>1,180,485</b>	965,783
<b>TOTAL ACCUMULATED FUND AND LIABILITIES</b>		<b>428,941</b>	176,880

The financial statements on pages 9 to 25 have been authorised for issue by the Executive Committee Members and signed on their behalf by:

  
 \_\_\_\_\_  
 Mr Joseph Portelli  
 (President)

  
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 Mr Antoine Attard  
 (Treasurer)

  
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 Mr Stephan Saliba  
 (Secretary)

Date: 30 March 2021

STATEMENT OF CHANGES IN EQUITY

	Note	General reserve €	Accumulated fund €	Total €
<b>Financial year ended 31 December 2019</b>				
Balance at 01 January 2019		(306,418)	(25,015)	(331,433)
Total comprehensive income for the period				
- (loss) for the financial period		(457,470)	-	(457,470)
- other comprehensive income/(loss)		306,418	(306,418)	-
<b>Balance at 31 December 2019</b>		<b>(457,470)</b>	<b>(331,433)</b>	<b>(788,903)</b>
<b>Financial year ended 31 December 2020</b>				
Balance at 01 January 2020		(457,470)	(331,433)	(788,903)
Total comprehensive income for the year				
- profit for the financial year		37,359	-	37,359
- other comprehensive income/(loss)		457,470	(457,470)	-
<b>Balance at 31 December 2020</b>		<b>37,359</b>	<b>(788,903)</b>	<b>(751,544)</b>

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**STATEMENT OF CASH FLOWS**

	2020	2019
Note	€	€
<b>Cash flows from operating activities</b>		
Net income/(loss) before tax	<b>37,359</b>	(457,470)
Adjustments for:		
Depreciation of tangible fixed assets	-	11,304
Amortisation of player registration costs	<b>19,692</b>	10,835
Impairment of financial assets	-	1,648,990
Impairment of deferred income	-	(1,520,662)
Loss on disposal of players	-	23,967
	<b>57,051</b>	(283,036)
Operating profit/(loss) before working capital changes	<b>57,051</b>	(283,036)
Increase in debtors	<b>(139,566)</b>	(9,885)
Increase in creditors	<b>222,048</b>	360,185
	<b>139,533</b>	67,264
Cash generated from/(used in) operations	<b>139,533</b>	67,264
<b>Net cash from/(used in) operating activities</b>	<b>139,533</b>	67,264
<b>Cash flows from investing activities</b>		
Players registration costs	<b>(213,000)</b>	(10,000)
Movement of fixed tangible assets	<b>79,125</b>	(90,429)
Proceeds from sale of players	-	35,000
	<b>(133,875)</b>	(65,429)
<b>Net cash from/(used in) investing activities</b>	<b>(133,875)</b>	(65,429)
<b>Cash flows from financing activities</b>		
Amounts (repaid) in respect of loans	<b>(35,000)</b>	-
<b>Net cash from/(used in) financing activities</b>	<b>(35,000)</b>	-
<b>Net movement in cash and cash equivalents</b>	<b>(29,342)</b>	1,835
<b>Cash and cash equivalents at beginning of year</b>	<b>2,086</b>	251
<b>Cash and cash equivalents at end of year</b>	<b>12 (27,256)</b>	2,086

## **1. ACCOUNTING CONVENTION AND BASIS OF PREPARATION**

The financial statements have been prepared and presented in accordance with the requirements of the International Financial Reporting Standards as adopted by the EU and Voluntary Organisations Act (Cap. 492), enacted in Malta. The financial statements have been prepared on the historical cost basis. These financial statements present information about the Club as an individual undertaking.

These financial statements are prepared under the historical cost convention, unless otherwise disclosed in the relevant accounting policy.

These financial statements are presented in Euro (€) which is the Club's functional currency.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

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

### **Intangibles assets**

#### *Player registration costs*

Player registration costs are recognised only if it is probable that the expected future economic benefits that are attributable to the player registration will flow to the Club and the cost of the player registration can be measured reliably. Player registration costs are initially measured at cost, and comprise the player's purchase price and any directly attributable costs, including agents' fees.

Player registration costs are subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write down the carrying amount of the registration costs on a straight-line basis over the period of the player's contract.

At each 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, and if impairment is identified, such impairment is recognised through profit and loss.

Gains and losses on sale of players are determined by reference to their carrying amount and are accounted for through the income statement.

### **Property, plant, and equipment**

#### *Recognition and measurement*

Property, plant, and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. An item of property, plant and equipment is initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of tangible fixed assets only if it enhances the economic benefits of an asset in excess

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of the previously assessed standards of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, an item of property, plant and equipment is carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses.

*Depreciation*

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each period is recognised in profit or loss.

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

	%
Ground improvement	2.8

*Depreciation method, useful life, and residual value*

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

*Derecognition of property, plant, and equipment*

On disposal of an item of property, plant and equipment, the cost and related accumulated depreciation and impairment losses, if any are derecognised and the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

**Financial assets, financial liabilities and equity**

General Note

Investments are stated at cost less any write-off for long term diminution in value. A financial asset or financial liability is recognised on the Club's balance sheet when the Club becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at their fair value plus in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets and financial liabilities are derecognised if and to the extent that, it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.

An equity instrument is any contract that evidences a residual interest in the assets of the Club after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

A financial instrument, or its component parts, is classified as a financial liability, financial asset or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form.

### **Trade and other receivables**

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment.

### **Trade and other payables**

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

### **Impairment of non-financial assets**

The Club's non-financial and financial assets are tested for impairment.

#### *Non-financial assets*

The carrying amounts of the Club's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

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

### **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.

### **Cash and cash equivalents**

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

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

### **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.

### **Foreign currencies**

Transactions in foreign currencies are converted into euro at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are 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.

### **Going concern**

The financial statements have been prepared on a going concern basis. At the end of the reporting period, the club had net current liabilities and a deficiency of €751,544 (2019: €788,903). Thus, there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and therefore, the club may be unable to realize its assets and discharge its liabilities in the normal course of business. The Executive Committee members have however, obtained assurances from the Main sponsor and president that they will continue to provide financial support to enable it to meet its liabilities as they fall due.

Based on the foregoing, the Executive Committee believes that it remains appropriate to prepare the financial statements on a going concern basis.



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**3. INCOME**

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

	<b>2020</b>	<b>2019</b>
<b>Commercial</b>		
Membership Fees	20,892	5,965
National competitions & prize money	2,250	55,539
Pitch hiring	6,450	8,905
Merchandising	20,829	-
<b>Income from disposal of player registrations (including loan income)</b>		
Transfer Fees	5,000	40,150
<b>Contributions/Donations from related parties</b>		
Donations & voluntary contributions	57,022	36,756
<b>Other/Non-Split</b>		
Gate receipts	3,565	20,049
Commercial		
Nursery Memberships	15,301	30,885
Fund raising activities	18,462	10,521
Solidarity & Prize Money		
UEFA solidarity & participation	17,320	12,849
Sponsorships & advertising	683,250	168,750
Other Income		
Nursery grants	-	3,625
Insurance claims	3,300	-
Amount written off	89,109	-
Sports Grant	-	1,640
Covid 19 – MFA grant	13,500	-
Covid 19 – Wage supplement	100,238	-
	<u>1,056,488</u>	<u>395,634</u>

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**4. EXPENDITURE**

The operating profit/loss is stated after charging:-

	<b>2020</b>	<b>2019</b>
	€	€
<b><u>Cost of Sales/Materials</u></b>		
Affiliation fees and other dues	13,780	12,834
Kits	21,248	8,637
Medical expenses	16,939	8,489
Overseas travel and accommodation	3,997	132,275
Transport	11,425	1,590
Registration and signing fees	600	-
Work permit and visas	3,086	-
Friendlies expenses	975	-
Merchandising material	21,741	-
<b><u>Other/Non-Split</u></b>		
Other operating expenses		
Players' wages and salaries	813,654	467,966
Players' Maternity fund	1,384	783
The Youth Football Association	128	1,945
Fines and penalties	9,445	6,337
Other penalties	-	12,000
Training costs	940	-
<b><u>Cost of acquiring player registrations (including non-capitalised agent fees and loan fees)</u></b>		
Transfer fees	1,500	16,261
Agents' fees	-	3,000
Legal and affiliations fees	-	10,640
Reception fees	5,349	1,238
<b><u>Match expenses</u></b>		
Transport fees	-	8,725
<b><u>Expenses of Non-Football Operations</u></b>		
Office expenses	907	776
Audit fees	2,000	1,000
Insurance	17,097	-
Others	376	-
Professional fees	4,300	-

**4. EXPENDITURE (continued)**

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
<b><u>Property &amp; Facilities expenses</u></b>		
Ground maintenance	-	11,229
Rent & Insurance	15,166	2,824
Repair and maintenance	28,845	-
Water and Electricity	2,653	-
<b><u>Sponsorship and advertising expenses</u></b>		
Donations	-	200
<b><u>Commercial activities expenses</u></b>		
Events	-	1,857
Amounts written off	-	58,235
<b>Amortisation of intangible fixed assets (player registrations)</b>	<b>19,692</b>	<b>10,835</b>
<b>Loss from sale of players</b>	<b>-</b>	<b>23,967</b>
<b>Depreciation of Tangible Fixed Assets</b>	<b>-</b>	<b>11,304</b>
<b>Disposal of Tangible Fixed Assets</b>	<b>-</b>	<b>1,520,662</b>
<b>Disposal of Intangible Assets</b>	<b>-</b>	<b>37,899</b>
	<b>1,017,227</b>	<b>2,373,508</b>

**5. OTHER INCOME**

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Amount waived off by related party	-	1,520,662

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
On bank charges	<b>1,902</b>	<b>258</b>

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**7. STAFF COSTS**

The staff costs incurred during the year was as follows:

	<b>2020</b>	2019
	€	€
Wages and salaries – players	<b>646,553</b>	296,144
Wages and salaries – part timers	<b>138,154</b>	146,122
Social security costs	<b>28,947</b>	25,700
	<b>813,654</b>	467,966

The average number of persons employed by the Club during the year was 42 (2019:12).

**8. INCOME TAX**

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

**9. INTANGIBLE ASSETS**

	<b>2020</b>	2019
	€	€
<b>Year ended 31 December</b>		
Opening net book amount	5,682	30,484
Additions	213,000	10,000
Disposals	-	(28,576)
Amortisation for the year	(19,692)	(10,835)
Amortisation released on disposal	-	4,609
<b>Closing net book amount</b>	<b>198,990</b>	<b>5,682</b>
<b>At 31<sup>st</sup> December</b>		
Cost	243,000	30,000
Accumulated amortisation	(44,010)	(24,318)
<b>Net book amount</b>	<b>198,990</b>	<b>5,682</b>
<b>At 31<sup>st</sup> December</b>		
Cost	30,000	48,576
Accumulated amortisation	(24,318)	(18,092)
<b>Net book amount</b>	<b>5,682</b>	<b>30,484</b>

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**9. INTANGIBLE ASSETS (continued)**

PLAYER IDENTIFICATION TABLE

	Date of Birth	Start Date of Contract	End Date of Contract	Cost of Registration	Amortisation at 01 Jan 2020	Amortisation for the year	Amortisation at 31 Dec 2020	Disposal (cost)	Disposal (amortisation)	Closing net book value
				€	€	€	€	€	€	€
<b>Financial year ended 31/12/20</b>										
Micallef Karl	08/08/96	10/01/17	31/05/21	30,000	24,318	4,011	28,329	-	-	1,671
Corbolan Juan Carlos	03/01/97	01/08/20	31/05/25	90,000	-	7,806	7,806	-	-	82,194
Mbong Joseph	15/07/97	01/08/20	31/05/25	40,000	-	3,469	3,469	-	-	36,531
Guillaumeir Matthew	09/04/98	01/10/20	30/06/25	83,000	-	4,406	4,406	-	-	78,594
<b>Balance at 31 December 2020</b>				<b>243,000</b>	<b>24,318</b>	<b>19,692</b>	<b>44,010</b>	<b>-</b>	<b>-</b>	<b>198,990</b>

During the period under review the following players were sold at a profit as stated below:

	€
Zerafa Daniel	3,000
Busuttil Jeremy	2,000
<b>Total for year</b>	<b>5,000</b>

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**10. TANGIBLE FIXED ASSETS**

	Building & improvements	Ground	Trophies	Total
	€	€	€	€
<b>Year ended 31 December 2020</b>				
Opening net book amount	-	79,125	-	79,125
Additions	-	-	-	-
Disposals	-	-	-	-
Re-classification	-	(79,125)	-	(79,125)
Depreciation charge	-	-	-	-
Depreciation released on disposals	-	-	-	-
<b>Closing net book amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**At 31 December 2020**

Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
<b>Net book amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**At 31 December 2019**

Cost	-	90,429	-	90,429
Accumulated depreciation	-	(11,304)	-	(11,304)
<b>Net book amount</b>	<b>-</b>	<b>79,125</b>	<b>-</b>	<b>79,125</b>

**11. RECEIVABLES**

	<b>2020</b>	2019
	€	€
Dues in relation to player transfers	<b>4,000</b>	25,000
Amounts owed from related parties (note i)	<b>171,196</b>	7,798
Other debtors	<b>44,333</b>	57,189
	<b>219,529</b>	89,987

(i) Amounts due from related parties are unsecured. Interest-free and collectible upon demand. The consideration will be paid in cash.

**12. 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 balance sheet amounts as follows:

	<b>2020</b>	2019
	€	€
Cash at bank and in hand	<b>398</b>	2,086

**13. OTHER LIABILITIES**

	<b>2020</b>	2019
	€	€
<b>Falling due after one year</b>		
Private creditors	<b>112,723</b>	102,699
Amount owed to related parties (note i)	<b>719,440</b>	424,868
Amounts due to IRD – long term	<b>84,961</b>	88,816
Other creditors	-	8,900
	<b>917,124</b>	625,283

(i) Amounts due to related parties are unsecured, interest free and carries no fixed term of repayment.

**14. INTEREST BEARING BORROWINGS**

	2020	2019
	€	€
<b>Falling due within one year</b>		
Bank loans	-	35,000
Current bank account	<b>27,654</b>	-
	<b>27,654</b>	35,000
<b>Total borrowings</b>	<b>27,654</b>	35,000

The Club had bank facilities of €35,000. The bank loan was secured by a pledge on receivables signed by the M.F.A.

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

	2020	2019
	%	%
Bank loan	-	(6.00)

**15. TRADE AND OTHER LIABILITIES**

	2020	2019
	€	€
<b>Falling due within one year</b>		
Players' dues	10,109	135,757
Amounts due to IRD – short term	111,773	64,598
Vat payable	47,648	4,180
Accruals	42,139	1,000
Other creditors	24,038	99,965
	<b>234,707</b>	305,500

**16. RELATED PARTIES**

**Loans from related parties**

The amount owed to related parties consists of a loan of 697,425 euro from Jupiter Properties Ltd C76555, a wholly owned company by Mr Joseph Portelli, a loan of 18,215 euro from Mr Victor Cassar and another loan of 3,800 euro from Mr Gaetano Debattista.



## **17. FINANCIAL INSTRUMENTS**

At year-end, the Club's main financial assets on the statement of financial position comprised trade and other receivables and cash at bank and in hand. The Club had no off-balance sheet financial assets.

At year-end, the Club's main financial liabilities on the statement of financial position consisted of trade and other payables and amounts owed to related parties. The Club had no off-balance sheet financial liabilities.

### *Timing of cash flows*

The presentation of the financial assets and liabilities listed under the current and non-current headings within the statement of financial position 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.

### *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.

### *Foreign currency risk*

The Club is not significantly exposed to foreign currency risk on payments of expenses and collection of receivables since the Club operates primarily in Euro. However, the Executive Committee seeks to ensure that, in cases where other currencies are involved, the possibility of the risk is appropriately considered.

### *Fair values*

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

## **18. 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.