

Eswatini Football Association

Annual Financial Statements for the year ended 31 December 2019



Report of the independent auditors'

To the members of Eswatini Football Association

Opinion

We have audited the financial statements of the Eswatini Football Association, set out on pages 6 to 30, which comprise the statement of financial position as at 31 December 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the executive committee's report.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the Eswatini Institute of Accountants Code of Professional Conduct (ESIA Code) and other independence requirements applicable to performing audits of financial statements in Eswatini. We have fulfilled our other ethical responsibilities in accordance with the ESIA Code and in accordance with other ethical requirements applicable to performing audits in Eswatini. The ESIA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Auditors

Going concern

The Executive Committee believes that the association has adequate financial resources to continue operating for the next 12 months and beyond from the date of issue of the financial statements and accordingly the financial statements have been prepared on a going concern basis.

Events after the reporting period

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with more than 200 countries affected. On 17 March 2020, His Excellency The Right Honourable Prime Minister of Eswatini informed the nations that he had been commanded by His Majesty King Mswati III to invoke Section 29 of the Disaster Management Act of 2006 and declared a national emergency, commissioning a partial lockdown for the country.

Government has taken steps to contain the virus and the economic impacts of these events which included disruption to business operations and a significant increase in economic uncertainty.

Management has made an assessment and notes that they will be able to continue as a going concern for the next 12 months from the date of issue of these financial statements. The association has received FIFA relief fund subsequent to year end to enable it to continue operating and discharge its obligations as and when they become due.

There were no other material matters that have arisen between the reporting date and the date of the approval of the financial statements that require adjustment or disclosure in these financial statements.

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2019

	2019 E	2018 E
Revenue	28 565 905	13 877 798
Other income	3 018 909	2 769 457
Operating expenses	(28 663 666)	(25 228 228)
Operating surplus/(deficit)	2 921 148	(8 580 973)
Interest income	29 449	92 687
Gains on foreign exchange	-	9 226
Finance costs	(48 616)	(52 783)
Surplus/(deficit) for the year	2 901 981	(8 531 843)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	2 901 981	(8 531 843)

STATEMENT OF FINANCIAL POSITION at 31 December 2019

	2019 E	2018 E
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	46 283 987	40 983 173
<i>Current assets</i>		
Trade and other receivables	593 910	381 173
Cash and cash equivalents	3 691 370	5 183 479
	4 285 280	5 564 652
Total assets	50 569 267	46 547 825
FUNDS AND LIABILITIES		
<i>Capital and reserves</i>		
Capital grant	30 885 230	30 214 017
Accumulated funds	17 060 290	14 158 309
	47 945 518	44 372 326
<i>Non-current liabilities</i>		
Finance lease liabilities	167 032	269 642
<i>Current liabilities</i>		
Deferred grant - Equipment	374 630	-
Finance lease liabilities	100 115	88 569
Trade and other payables	1 187 606	1 015 358
Provisions	794 368	801 930
	2 456 719	1 905 857
Total liabilities	2 623 751	2 175 499
Total funds and liabilities	50 569 267	46 547 825

STATEMENT OF CHANGE IN EQUITY for the year ended 31 December 2019

	Capital grant E	Accumulated funds E	Total equity E
Balance at 1 January 2018	24 063 391	22 690 152	46 753 543
Capitalisation of grant	6 944 618	-	6 944 618
Amortisation of capital grant	(793 992)	-	(793 992)
Total comprehensive income for the year	-	(8 531 843)	(8 531 843)
Balance at 31 December 2018	30 214 017	14 158 309	44 372 326
Balance at 1 January 2019	30 214 017	14 158 309	44 372 326
Capitalisation of grant	1 423 744	-	1 423 744
Amortisation of capital grant	(752 533)	-	(752 533)
Total comprehensive loss for the year	-	2 901 981	2 901 981
Balance at 31 December 2019	30 885 228	17 060 290	47 945 518

STATEMENT OF CASH FLOWS for the year ended 31 December 2019

	2019 E	2018 E
Cash flows from operating activities		
Cash generated/(utilised) from operations	4 600 543	(6 639 823)
Interest income	29 448	92 687
Finance costs	(48 616)	(52 783)
Net cash flows from operating activities	4 581 375	(6 599 919)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7 028 263)	(10 577 707)
Net cash flows from investing activities	(7 028 263)	(10 577 707)
Cash flows from financing activities		
Increase in capital grant	671 213	6 150 626
Increase in deferred grant	374 630	-
Repayment of finance lease liabilities	(91 064)	(86 896)
Net cash flows from financing activities	954 779	6 063 730
Net decrease in cash and cash equivalents	(1 492 109)	(11 113 896)
Cash and cash equivalents at beginning of year	5 183 479	16 288 149
Effect of exchange rate movement on cash balances	-	9 226
Cash and cash equivalents at year end	3 691 370	5 183 479