

HIBERNIANS FC

Annual Financial Report

&

Financial Statements

31 December 2023

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Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2023

GENERAL INFORMATION

Registration

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

Officials & other Committee Members:

President: Mr Ranier Bezzina

Secretary: Mr Stephen Abela

Treasurer: Mr Andre Camilleri

Other committee members:

Mr David Abdilla – Vice President

Mr Alex Montebello – Vice President

Mr Stefan Zahra – Assistant Secretary /PRO

Mr Godwin Attard – Member

Mr Owen Fiteni – Member

Mr. Antoine Ellul – Member

Mr Mr. Charlot Pace –Member

Mr Victor Ellul – Member

Mr Keith Glanville -Member

Mrs Charmaine Ellul - 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.

Hibernians Football Club

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COMMITTEE MEMBERS' REPORT

The committee members submit their annual report and the audited financial statements for the year ended 31 December 2023.

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 €804,203. After deducting all operating and finance costs, the Club incurred a loss for the year amounted to €381,874. The loss for the year is stated after accounting for the gain achieved by the Hibernians Nursery amounting to €25,044 and a loss on Women's Team of €5,916.

Committee members

During the year ended 31 December 2023, 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 International Financial Reporting Standards as adopted by the European Union

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. Ranier Bezzina (President)



Mr. Andre Camilleri (Treasurer)



Mr. Stephen Abela (Secretary)

5 April 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Hibernians Football Club

I have audited the financial statements of Hibernians Football Club ("the Club"), set out on pages 9 to 30, which comprise the statement of financial position as of 31 December 2023, 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.

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Club as of 31 December 2023, 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 European Union (EU).

Material Uncertainty Relating to Going Concern

Without qualifying my report, I have considered the adequacy of Note 22 to the financial statements concerning the Club's ability to continue to operate as a going concern, in particular to the need for the Club's bankers' and the Club's President and/ or his companies to continue to finance the Club. This condition indicates the existence of material uncertainty which may cast significant doubt on the Club's ability to continue as a going concern, however the Club has obtained written confirmation from the President that he is able and will continue to support the Club both in the short term and long term. The financial statements do not include any adjustments, if any, that would result if the Club was unable to continue to operate as a going concern.

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 Auditors' 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 my 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.

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 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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (continued)

To the members of Hibernians Football Club

Responsibilities of the Committee Members

The Committee Members are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the EU, 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 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 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 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee Members.

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INDEPENDENT AUDITOR'S REPORT (continued)

To the members of Hibernians Football Club

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

- 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 our 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
- 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**

5 April 2024

Hibernians Football Club
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STATEMENT OF COMPREHENSIVE INCOME

	Note	2023 €	2022 €
Revenue	3	804,203	1,638,289
Operating and Other Costs	4	(1,181,150)	(1,624,516)
Operating Profit /(Loss)		(376,947)	13,773
Finance Cost		(4,927)	(11,386)
Profit/(Loss) for the Year		(381,874)	2,387
Total Comprehensive Income/(Loss)		(381,874)	2,387

The notes on pages 13 to 30 form an integral part of these financial statements.

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2023

STATEMENT OF FINANCIAL POSITION

	Note	2023 €	2022 €
Fixed assets			
Intangible assets	8	5,000	22,000
Tangible fixed assets	9	1,066	1,900
Investment	10	5,100	5,100
		11,166	29,000
Current assets			
Receivables	11	18,100	8,400
Cash at bank and in hand	15	12,125	55,572
		30,225	63,972
Total Assets		41,391	92,972
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated Losses		(2,037,284)	(1,655,410)
Reserves		188,756	188,756
President's Contribution	13	1,077,234	-
Total Deficiency		(771,294)	(1,466,654)
Payables: falling due after more than one year			
Non-Interest-bearing borrowings	13	434,100	1,460,334
Other Payables	14	20,445	5,791
		454,545	1,466,125
Payables: falling due within one year			
Interest bearing bank borrowings	12	235,280	-
Trade and other liabilities	14	122,860	93,501
		358,140	93,501
Total liabilities		812,685	1,559,626
TOTAL ACCUMULATED FUND AND LIABILITIES		41,391	92,972

The notes on pages 13 to 30 form an integral part of these financial statements.

The financial statements on pages 9 to 30 have been authorised for issue by the Committee members on 5 April 2024 and signed on its behalf by:



Mr. Ranier Bezzina
(President)



Mr. Andre Camilleri
(Treasurer)



Mr. Stephen Abela
(Secretary)

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2023

Statement in Changes to Equity

	Club President Contribution Euro	Accumulated Losses Euro	General Reserve Euro	Total Euro
Financial Year Ended 31 December 2023				
Balance at 1 January 2023	1,077,234 -	1,655,410	188,756 -	1,466,654
Total Comprehensive Income/(Loss)				
Loss for the Year	-	-381,874	-	-381,874
Contribution by Club's President				
Contribution	-	-	-	-
Balance at 31 December 2023	1,077,234 -	2,037,284	188,756 -	771,294
Financial year ended 31 December 2022				
Balance at 01 January 2022	- -	1,657,797	188,756 -	1,469,041
Total Comprehensive Income/(Loss)				
Profit for the financial year	-	2,387	-	2,387
Contribution by Club's President				
Contribution	1,077,234	-	-	1,077,234
Balance at 31 December 2022	1,077,234 -	1,655,410	188,756 -	389,420

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STATEMENT OF CASH FLOWS

	Note	2023 €	2022 €
Cash flows from operating activities			
Profit /(Loss) for the Year		- 381,874	2,387
Adjustments for:			
Depreciation of Tangible Fixed Assets		834	1,173
Amortisation of Intangible Assets		17,000	17,000
Finance Costs		4,927	11,386
Operating profit/(loss) before working capital changes		- 359,113	31,946
(Increase) /decrease in debtors		- 24,027	37,430
Increase/ (decrease) in creditors		58,340	55,838
Cash generated from/ (used in) operations		- 324,800	125,214
Cash flows from investing activities			
Purchases of Fixed Assets		-	-
Net cash from (used in) investing activities		-	-
Cash flows from financing activities			
Bank Loan Received		125,000	440,000
Bank Loan Repaid		- 4,097	- 440,000
Movement in Related Party Loans Payable		51,000	-
Bank Interest Paid		- 4,927	- 11,386
Net cash from/ (used in) financing activities		166,976	- 11,386
Net movement in cash and cash equivalents		- 157,824	113,828
Cash and cash equivalents at beginning of year		55,572	- 58,256
Cash and cash equivalents at end of year	15	- 102,252	55,572

The notes on pages 13 to 30 form an integral part of these financial statements.

Hibernians Football Club

Annual Financial Statements for the year ended 31 December 2023

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 International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

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.

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.

New or revised standards, interpretations, and amendments adopted.

Several new or revised standards, interpretations and amendments were in issue and endorsed by the EU but are not yet effective for the current financial year. The Club has not early adopted the new or amended standards in preparing these financial statements. The Committee members anticipate that the adoption of the new standards, interpretations, or amendments thereto, will not have a material impact on the financial statements upon initial application.

Hibernians Football Club

Annual Financial Statements for the year ended 31 December 2023

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.

Intangible 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

Hibernians Football Club

Annual Financial Statements for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS - continued

2. SIGNIFICANT ACCOUNTING POLICIES -continued

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Club becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognised when they are extinguished, discharged, cancelled, or expire.

Financial assets

Financial assets are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- financial assets at amortised cost.
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit or loss.

Financial assets at amortised cost

Financial assets at amortised costs are financial assets that are held within the business model whose objective is to collect contractual cash flows (“hold to collect”) and the contractual terms give rise to cash flows that are solely payments of principal and interest.

On initial recognition, financial assets at amortised cost are recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Discounting is omitted where the effect of discounting is immaterial. Trade receivables without a significant financing component are measured at the transaction price as a practical expedient.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method less impairment losses, if any. Gain or losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

Financial asset at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise of:

- equity instruments not held-for-trading, which the Club elected to classify irrevocably as equity instruments designated at fair value through OCI at initial recognition; and
- debt instruments held within the business model whose objective is to collect contractual cash flows and to sell the financial assets (“hold to collect and sell”) and the contractual terms give rise to cash flows that are solely payments of principal and interest.

On initial recognition, FVOCI are measured at fair value plus transaction costs. Subsequently, these are re-measured to fair value at each reporting date with fair value changes recognised in OCI.

Interest income, foreign currency revaluations, and impairments or reversals on debt instruments at FVOCI are recognised in profit or loss. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS -continued

2. SIGNIFICANT ACCOUNTING POLICIES -continued

Financial instruments (continued)

Dividends (except return of investment) on equity instruments at FVOCI are recognised in profit or loss when the right of payment has been established. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is reclassified to retained earnings, and never recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss (FVTPL) include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

On initial recognition, these are measured at fair value and transaction costs are charged to profit or loss. Subsequently, these are remeasured at fair value with fair value changes recognised in profit or loss. Dividends are recognised in profit or loss when the right of payment has been established.

Impairment of financial assets

The Club recognises an allowance for expected credit losses (ECLs) on financial assets that are measured at amortised cost. Equity instruments are not subject to impairment assessment.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

The Club considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Club may also consider a financial asset to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

For certain assets, the Club applies a simplified approach to measuring ECLs which recognises lifetime ECLs. The ECLs on these financial assets are estimated using a provision matrix based on the Club's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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NOTES TO THE FINANCIAL STATEMENTS – continued

2. SIGNIFICANT ACCOUNTING POLICIES -continued

Financial instruments (continued)

Financial liabilities

Financial liabilities are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- financial liabilities at amortised cost; and
- financial liabilities at fair value through profit or loss.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method. All interest-related charges under the interest amortisation process are recognised in profit or loss.

On derecognition, the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognised in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVPL) are financial liabilities that are held for trading and/or financial liabilities that are designated at initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities at FVPL are initially recognised at and subsequently measured at fair value with fair value changes recognised in profit or loss.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Hibernians Football Club
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NOTES TO THE FINANCIAL STATEMENTS – continued

2. SIGNIFICANT ACCOUNTING POLICIES -continued

Financial instruments (continued)

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 overdraft.

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

3. INCOME

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

	2023	2022
	€	€
Commercial		
Membership Fees	3,040	4,602
Enrolment Fees	-	220
Income from Transfer of Players		
Transfer Fees	25,900	18,000
Players on Loan	4,800	2,500
Contributions and Donations from Related Parties		
Sponsorship and Donation Income	130,410	25,693
Other Income		
UEFA Championship	-	1,110,000
Gate Money	4,519	19,794
Nursery Income (Appendix 1)	329,489	199,682
Women Football income (Appendix 11)	38,596	25,124
UEFA Solidary and Participation Income	249,083	102,452
Wages Supplement	-	25,586
Income from Events	4,018	12,423
UEFA Club Competition 21/22	-	48,000
PRM Sponsorship	-	9,000
Development Pot	-	2,250
Ministry of Gozo Super Cup	-	7,500
TV Rights	-	8,085
Hire of Pitches	150	5,436
Advertising Income	-	1,312
Football Games related income	2,872	10,630
Water and Electricity Refund	1,620	-
Sounds and System	6,387	-
Activities income	3,319	-
	804,203	1,638,289

Hibernians Football Club
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NOTES TO THE FINANCIAL STATEMENTS - continued

4. PROFIT AND LOSS

The profit and loss is stated after charging:

	2023	2,022
	€	€
Affiliation Fee	500	2,600
Hire of Grounds	360	12,644
Medical Costs	4,398	7,915
Overseas Travelling and Entertainment	4,721	98,553
Transport Costs	478	1,967
Players expenses including Visas	9,861	6,330
Hire of Gym and Other Football Cost	8,201	11,097
TV Rights	-	20,320
Hire of Generator	2,980	-
Participation Fees	700	-
Gozo Football Sponsorship	7,500	-
Other Operating Costs		
Players Wages and Salaries including NIC	651,918	1,005,808
Players Accommodation and Related Costs	85,381	126,794
Fines	4,320	21,562
Nursery Operating Costs including wages and salaries (Appendix 1)	304,445	229,078
Women's Football Costs including wages and salaries (Appendix 11)	44,512	35,271
Referee Costs	545	355
Motor Vehicle Costs	11,026	7,840
General Expenses	1,091	3,120

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Cost of Acquiring Players

Transfer of Players **4,000** 1,200

Mediation Fee **2,000** -

Administration and other Costs -

Printing and Stationary **480** 1,646

Legal Fees **6,500** -

Bank Charges **2,484** 2,632

Property and Facilities Expenses

Ground Rent **1,200** 600

Repairs and Maintenance **438** 400

Water and Electricity - 8,611

Insurance **560** -

Equipment **2,717** -

Depreciation of Club's Tangible Assets **834** 1,173

Amortisation of Intangible Assets **17,000** 17,000

1,181,150 **1,624,516**

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Annual Financial Statements for the year ended 31 December 2023

5. STAFF COSTS

The staff costs incurred during the year were as follows:

	2023	2022
	€	€
Wages and Salaries - Club	651,918	1,005,807
Wages and Salaries - Nursery	101,369	49,270
Wages and Salaries -Women's	32,868	20,140
	<u>786,155</u>	<u>1,075,217</u>

Gross salaries include wages and salaries as well as contributions to national insurance amounting to €20,495 (2022 €21,269).

The average number of employees employed by the football club during the year amounted to 30 (2022: 30).

6. INTEREST PAYABLE

	2023	2022
	€	€
Bank Interest	4,927	11,386
	=====	=====

7. INCOME TAX

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

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS - continued

8. INTANGIBLE ASSETS

	Player Registration Costs €	Total Intangible Assets €
Year ended 31 December 2023		
Opening net book amount	22,000	22,000
Amortisation for the year	(17,000)	(17,000)
Closing net book amount	5,000	5,000
At 31 December 2023		
Cost	145,097	145,097
Accumulated amortisation	(140,097)	(140,097)
Net book amount	5,000	5,000
At 31 December 2022		
Cost	145,097	145,097
Accumulated amortisation	(123,097)	(123,097)
Net book amount	22,000	22,000

Name	Date of Birth	Start Date of Contract	End Date of Contract	Cost of Registration €	Amortisation For Year €	Total Amortisation €	Closing Net Book Amount €
Jake Grech	18/11/1997	30/01/2019	30/01/2024	60,000	12,000	60,000	-
Zachary Grech	21/07/1999	20/08/2020	08/06/2024	25,000	5,000	20,000	5,000
Balance at 31 December 2023				<u>85,000</u>	<u>17,000</u>	<u>63,000</u>	<u>5,000</u>

Hibernians Football Club

Annual Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS - continued

9. TANGIBLE FIXED ASSETS

	Office equipment & furnishings	Motor Vehicle	Buildings & improvements	Plant and machinery	IT equipment & software	Total
	€	€	€	€	€	€
Year ended 31 December 2023						
Opening net book amount	-	1,200	-	700	-	1,900
Depreciation charge	-	(600)	-	(234)	-	(834)
Closing net book amount	-	600	-	466	-	1,066
At 31 December 2023						
Cost	-	3,000	2,329	6,060	2,295	13,684
Accumulated depreciation	-	(2,400)	(2,329)	(5,594)	(2,295)	(12,618)
Net book amount	-	600	-	466	-	1,066
At 31 December 2022						
Cost	-	3,000	2,329	6,060	2,295	13,684
Accumulated depreciation	-	(1,800)	(2,329)	(5,360)	(2,295)	(11,784)
Net book amount	-	1,200	-	700	-	1,900

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS - continued

10. INVESTMENT IN SUBSIDIARY

The club has an investment of 5,100 Ordinary Share of Euro 1 each in A.S. Hibernians Limited whose registered address is Corradino Pavilion, Corradino Heights, Corradino, Paola. The investment is stated at historical cost and the club has a 51% holding. The company was registered on 9 May 2000. The investment has been reflected in the comparative figures. Cost was incurred by the late Mr. Anthony Bezzina and hence has been reflected in the loan payable to the heir namely Mr. Ranier Bezzina.

11. RECEIVABLES

	2023	2022
	€	€
Dues in relation to player transfers	-	3,000
Other Debtors	12,700	-
Amount due by Subsidiary Company	5,400	5,400
	18,100	8,400

The amount due by the subsidiary is interest free, unsecured, and repayable on demand.

12. INTEREST BEARING BORROWINGS

	2023	2022
	€	€
Falling due within one year		
Bank loans	120,903	-
Bank overdraft	114,377	-
	235,280	-
Total borrowings	235,280	-

During the year the club was advanced bank loans amounting to €125,000 which was repayable as to €50,000 by end of 31 December 2023 and the balance by end of June 2024. At end of the year only one installment amounting to €4,097 was paid.

The club was also provided with a temporary excess of €60,000 as overdraft facility at the rate of 5.65% interest.

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS - continued

12. INTEREST BEARING BORROWINGS

The club has a bank overdraft facility of €81,550. The bank overdraft, temporary excess and bank loan are secured by pledge of funds amounting to €237,000 bank deposits pledged by a related company of the Club's President. The loans were granted to finance operating costs.

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

	2023	2022
	%	%
Bank overdraft	5.65	5.65
Bank loan	5.65	5.65

13. NON -CURRENT LIABILITIES

	2023	2022
	€	€
Falling due after one year		
Balance due to Mr. Ranier Bezzina – Club President	-	1,077,234
Balance due to Salv. Bezzina & Sons Limited	383,100	383,100
Balances due to Bezzina Maritime Ltd and Bezzina Ship Repair Yard Ltd	51,000	-
	434,100	1,460,334

The above balances are unsecured, interest free and without a repayment programme. The above-mentioned companies are all wholly owned by the Club's President.

The club's president balance brought forward amounting to €1,077,234 which is unsecured and interest free has been classified as the President contribution towards the net equity of the Club. The contribution will be repayable at the sole discretion of the Club. Discussions are in progress for the privatization of the club in which case the balance will be converted into equity.

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS - continued

14. TRADE AND OTHER LIABILITIES

	2023	2022
	€	€
Falling due after one year		
Indirect tax and social security contributions	<u>20,445</u>	<u>5,791</u>
	<u>20,445</u>	<u>5,791</u>
Falling due within one year		
Indirect tax and social security contributions	37,076	4,104
Accruals and other Creditors	6,660	27,512
Players Payroll Payable	<u>79,124</u>	<u>61,885</u>
	<u>122,860</u>	<u>93,501</u>

The amount brought forward from the prior year due for indirect tax and national insurance contributions amounting to €5,648 as at 31 December 2023 is being repaid by monthly installments of €354. The remaining balance of € 51,873 is due to be repaid by monthly installments of €342 covering an amount of €23,148 whilst the remaining balance of €28,724 was offset against tax credit due to the President of the Club.

15. 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:

	2023	2022
	€	€
Cash at bank and in hand	12,125	55,572
Bank Overdraft	<u>(114,377)</u>	-
	<u>(102,252)</u>	55,572

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS – continued

16. CAPITAL COMMITMENTS

	2023	2022
	€	€
Authorised but not contracted for	<u>Nil</u>	<u>nil</u>

17. CONTINGENT LIABILITIES

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

18. 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. Carrying amounts for trade and other debtors are stated net of the necessary provisions, if any, which have been prudently made against bad and doubtful debts in respect of which the committee reasonably believes that recoverability is doubtful. No provision for expected losses has been considered necessary at year end.

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.

Hibernians Football Club

Annual Financial Statements for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS - continued

18. 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 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.

19. RELATED PARTIES

Loans from committee members

The club took out a loan from the late Mr. Anthony Bezzina, the Club's former president. The amount due is unsecured, and interest free. The amount due was inherited by his son Ranier Bezzina, the Club's President, and is shown with non-current creditors in Note 13. The Club's president is financing the club by further cash injections. An agreement has been reached between the club and the president that the loan balance at 1 January 2023 amounting to €1,077,234 will only be repaid at the discretion of the Club and consequently has been considered as part of the Club's equity.

In prior years the club took out a loan from Salv. Bezzina & Sons Limited. The amount due to the company, which is controlled by Mr. Ranier Bezzina, is unsecured, bears no interest and has no fixed date for repayment. During the year further loans amounting to €51,000 were received from other related companies.

The outstanding balances on these loans are shown with non-current creditors in Note 13.

Hibernians Football Club
Annual Financial Statements for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS - continued

20. 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 note thereto.

21. 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.

22. GOING CONCERN

During the year under review, the Club registered a loss of €381,875. As at year end, the Club had net current liabilities and net asset deficiency position amounting to €348,360 and €771,294 respectively.

During the year, the President and the Bank continued to provide financial support to the Club and this financing is still required to enable the Club to continue to operate as a going concern.

The above factors cast doubt upon the Club's ability to continue to operate in the foreseeable future. However, notwithstanding the said losses and financial position, the Club has obtained written confirmation from the President that he is able and will continue to financially support the Club both in the short and long term and, accordingly, the concept of going concern applied in the preparation of these financial statements is appropriate.

Hibernians Football Club

Annual Financial Statements for the year ended 31 December 2023

Nursery Income and Expenditure

Appendix 1

<i>Income</i>	Euro
Membership Fees	19,785
Transfer fees	11,500
Donations and Voluntary	6,140
Lease of Bar	9,980
UEFA subsidies	17,000
Sponsorships	7,300
Other Income	4,085
Summer School	10,708
Festivals and Tournaments	132,684
Events	86,423
Hire of Grounds	7,080
Water and electricity Refund	13,750
Advertising Income	2,750
Sale of Kits	304
Total Income	329,489
<i>Expenditure</i>	
Coaches and Technical Staff	101,369
Players Costs	4,622
Transfer Fee	1,500
Printing and Stationary	489
Insurance	1,188
Ground Maintenance	2,801
Hire of Grounds	30,934
Festivals and Tournaments	140,102
General Expenses	7,182
Bank Charges	447
Equipment	3,889
Kits	175
Membership	580
UEFA Training	550
Medical Costs	200
Hire of Generator	250
Water and Electricity	6,712
Referees Charges	585
Administrative and other Fees	870
Total Expenditure	304,445
Nursery Profit for the Year	25,044

Hibernians Football Club

Annual Financial Statements for the year ended 31 December 2023

Women's Football - Income and Expenditure

Appendix 11

	2023
	Euro
Income	
UEFA Solidarity Fund	10,000
Summer School	1,935
Festivals and Tournaments	25,461
Transfer Fee	1,200
Total Income	38,596
Expenditure	
Coaches and Technical Staff	32,868
Players Costs	870
Transport	350
Medical Costs	2768
Printing and Stationary	0
Hire of Grounds	888
Festivals and Tournaments	4,180
General Expenses	404
Bank Charges	43
Insurance	648
Equipment	1493
Total Expenditure	44,512
Loss for the Year	-5,916