



2019

**ANNUAL FINANCIAL
STATEMENTS**

for the year ended 31 March 2019



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ASSOCIATION INFORMATION

DOMICILE AND OPERATION:

Botswana Football Association is an organisation registered under the Societies Act in Botswana and engages in promoting the game of Football in Botswana.

POSTAL ADDRESS:

P O Box 1396
Gaborone

REGISTERED ADDRESS:

Plot 73281
Gaborone

AUDITORS:

PricewaterhouseCoopers
Gaborone

BANKERS:

Barclays Bank of Botswana Limited
Standard Chartered Bank Botswana Limited
Stanbic Bank Botswana Limited
First National Bank of Botswana Limited
African Banking Corporation Botswana Limited
Bank Gaborone Limited

STATEMENT OF **RESPONSIBILITY BY THE NATIONAL EXECUTIVE COMMITTEE**

AS AT 31 MARCH 2019

The National Executive Committee (NEC) is required in terms of the Constitution of the Botswana Football Association to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements present a true and fair view of the state of affairs of the Association as at 31 March 2019 and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The National Executive Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the Association and place considerable importance on maintaining a strong control environment. To enable the National Executive Committee to meet these responsibilities, the National Executive Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Association and all employees are required to maintain the highest ethical standards in ensuring the Association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Association is on identifying, assessing, managing and monitoring all known forms of risk across the Association. While operating risk cannot be fully eliminated, the Association endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The National Executive Committee are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The going concern basis has been adopted in preparing the annual financial statements. The National Executive Committee has no reason to believe that the Botswana Football Association will not be a going concern in the foreseeable future based on forecasts, available cash resources and the continued support by the Botswana National Sports Commission. The financial statements disclose all matters which the members of the NEC are aware of that are relevant to the Association's ability to continue as a going concern.

The Financial Statements presented on pages 6 to 41 have been authorised for issue by the National Executive Committee and are signed on its behalf by:



President



Second Vice President

STATEMENT OF CASH FLOW

AS AT 31 MARCH 2019

	Note	2019 P	2018 P
Cash flows from operating activities			
Cash flows generated from operations	11	(272,613)	9,676,016
Interest paid	5	-	(5,722)
Net cash generated from operating activities		(272,613)	9,670,294
Cash flows from investing activities			
Interest received	5	66,145	7,276
Movement in short-term fixed deposit		75,000	(4,950,000)
Movement in mutual funds		19,728	(2,351)
Purchase of property, plant and equipment	6	(5,709,726)	(791,886)
Net cash used in investing activities		(5,548,853)	(5,736,961)
Cash flows from financing activities			
Repayment of borrowings		-	(75,080)
Capital grants received during the year		5,316,382	-
Net cash generated/ (used in) financing activities		5,316,382	(75,080)
Net change in cash and cash equivalents			
Cash and cash equivalents at beginning of year		8,308,623	4,749,129
Exchange gain/ (loss) on bank balance	5	1,050,972	(443,010)
Non-operating items:			
FODA funds received during the year		-	144,392
Net charge on FODA reserve accounts		(8,992)	(141)
Cash and cash equivalents at end of year	7	8,845,519	8,308,623

STATEMENT OF **COMPREHENSIVE INCOME**

AS AT 31 MARCH 2019

	Note	2019 P	2018 P
Revenue			
Grants and sponsorships	3	48,789,989	39,115,975
Gate takings on games		719,048	1,123,291
		49,509,037	40,239,266
Other income	4	2,862,392	2,239,614
Administrative expenses	12	(46,836,891)	(44,870,891)
Operating surplus/ (deficit)		5,534,538	(2,392,011)
Finance income	5	1,117,117	7,276
Finance costs	5	-	(448,732)
Net finance income/ (cost)		1,117,117	(441,456)
Surplus/ (deficit) before income tax		6,651,655	(2,833,467)
Income tax expense		-	-
Surplus/ (deficit) for the year		6,651,655	(2,833,467)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Net charges on FODA accounts		(8,992)	(141)
Transfer from FODA reserve		-	701,398
Other comprehensive (loss)/ income for the year		(8,992)	701,257
Total comprehensive surplus/ (deficit) for the year		6,642,663	(2,132,210)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	2019 P	2018 P
ASSETS			
Non-current assets			
Property, plant and equipment	6	15,934,030	11,427,505
Current assets			
Inventories		22,235	367,010
Trade and other receivables		2,526,736	730,476
Other financial assets		4,875,000	4,950,000
Financial assets at fair value through profit and loss		40,849	60,577
Cash and cash equivalents	7	8,845,519	8,308,623
		16,310,339	14,416,686
Total assets		32,244,369	25,844,191
FUNDS AND LIABILITIES			
Funds and reserves			
Accumulated deficit		(12,393,280)	(19,044,935)
FODA reserve		163,703	172,695
		(12,229,577)	(18,872,240)
LIABILITIES			
Non-current liabilities			
Capital grants	8	14,609,631	10,114,869
Current liabilities			
Trade and other payables	9	18,910,186	16,634,460
Income tax payable		916,448	801,519
Deferred income	10	10,037,681	17,165,583
		29,864,315	34,601,562
Total liabilities		44,473,946	44,716,431
Total funds and liabilities		32,244,369	25,844,191

STATEMENT OF **CHANGES IN FUNDS AND RESERVES**

AS AT 31 MARCH 2019

	FODA reserve P	Accumulated deficit P	Total P
Balance as at 1 April 2017	729,842	(16,912,866)	(16,183,024)
Comprehensive deficit			
Deficit for the year	-	(2,833,467)	(2,833,467)
Other comprehensive income			
Net charge on FODA accounts	(141)	-	(141)
Utilisation of FODA funds	(701,398)	701,398	-
Additional funds	144,392	-	144,392
Balance at 31 March 2018	172,695	(19,044,935)	(18,872,240)
Balance as at 1 April 2018	172,695	(19,044,935)	(18,872,240)
Comprehensive income			
Surplus for the year	-	6,651,655	6,651,655
Other comprehensive income			
Net charge on FODA accounts	(8,992)	-	(8,992)
Balance at 31 March 2019	163,703	(12,393,280)	(12,229,577)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 General information

Botswana Football Association (“Association”) is an organisation registered under the Society’s Act in Botswana and engages in promoting the game of Football in Botswana. The organisation operates mainly through its components namely Botswana Premier League, First Division North and First Division South, Women’s Football and the 17 regions - Central North RFA, Central South, Boteti RFA, Chobe RFA, Francistown RFA, Gaborone City RFA, Ghanzi RFA, Hukuntsi RFA, Kgalagadi Central RFA, Kgalagadi South RFA, Kgatleng RFA, Kweneng RFA, Nhaba RFA, Selibe Phikwe RFA, South East RFA, Southern RFA and Tswapong RFA.

The Association is registered and domiciled in Botswana.

The financial statements set out on pages 5 to 14 have been approved by the National Executive Committee on 10 September 2019.

2 Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Botswana Football Association (“Association”) have been prepared in accordance with International Financial Reporting Standards. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the current events and actions, actual results may ultimately differ from those estimates. It also requires management to exercise its judgment in the process of applying the Association’s accounting policies.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

3	Grants and sponsorships	2019	2018
		P	P
	Grants		
	Botswana National Sports Commission (BNSC)	7,215,743	9,324,332
	Federation of International Football Associations (FIFA)	6,474,448	7,206,751
	Transfer from deferred income - FIFA (Note 18)	12,215,583	1,821,833
		25,905,774	18,352,916
	Sponsorships		
	Botswana Telecommunications Corporation Limited (BTCL)	7,930,000	7,125,000
	Transfer from deferred income - BTCL (Note 18)	4,950,000	-
	Botswana Television (BTV)	-	5,357,143
	British Council Botswana	-	205,551
	Confederation of African Football (CAF)	976,735	1,062,998
	Debswana Diamond Company Limited	2,000,000	2,000,000
	Mascom Wireless (Proprietary) Limited	5,302,141	4,952,785
	Choppies Enterprises limited	777,839	59,582
	Orange Botswana (Proprietary) Ltd.	697,500	-
	Skyways Travel Agency	250,000	-
		22,884,215	20,763,059
		48,789,989	39,115,975
4	Other income	2019	2018
		P	P
	Amortisation of capital grant (Note 16)	821,620	554,301
	Rental income	162,429	315,359
	Sale of merchandise	-	36,840
	Donations	140,000	20,000
	League income	1,199,867	766,611
	Others	538,476	546,503
		2,862,392	2,239,614
5	Net finance cost	2019	2018
		P	P
	Finance income		
	Interest income on short term bank deposits	66,145	7,276
	Foreign exchange gain	1,050,972	-
		1,117,117	7,276
	Finance costs		
	Interest expense	-	(5,722)
	Foreign exchange loss	-	(443,010)
		-	(448,732)
	Net finance cost	1,117,117	(441,456)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

6 Property, plant and equipment

	Buildings P	Turf and improvements P	Furniture, fittings and office equipment P	Motor vehicles P	Computer equipment P	Total P
At 1 April 2017						
Cost	7,891,837	5,304,376	2,021,292	1,609,807	1,095,762	17,923,074
Accumulated depreciation	(1,738,629)	(906,686)	(1,415,103)	(1,412,523)	(902,111)	(6,375,052)
Net book amount	6,153,208	4,397,690	606,189	197,284	193,651	11,548,022
Year ended 31 March 2018						
Opening net book amount	6,153,208	4,397,690	606,189	197,284	193,651	11,548,022
Additions	-	-	174,031	569,107	48,748	791,886
Disposals					(7,700)	(7,700)
Depreciation on disposals					5,614	5,614
Depreciation charge	(157,838)	(265,214)	(135,675)	(258,385)	(93,205)	(910,317)
Closing net book amount	5,995,370	4,132,476	644,545	508,006	147,108	11,427,505
At 31 March 2018						
Cost	7,891,837	5,304,376	2,195,323	2,178,914	1,136,810	18,707,260
Accumulated depreciation	(1,896,467)	(1,171,900)	(1,550,778)	(1,670,908)	(989,702)	(7,279,755)
Net book amount	5,995,370	4,132,476	644,545	508,006	147,108	11,427,505
Year ended 31 March 2019						
Opening net book amount	5,995,370	4,132,476	644,545	508,006	147,108	11,427,505
Additions	508,768	3,909,667	82,350	1,121,930	87,011	5,709,726
Disposals	-	-	-	(316,964)	-	(316,964)
Depreciation on disposals	-	-	-	316,964	-	316,964
Depreciation charge	(162,835)	(460,702)	(144,514)	(356,360)	(78,790)	(1,203,201)
Closing net book amount	6,341,303	7,581,441	582,381	1,273,576	155,329	15,934,030
At 31 March 2019						
Cost	8,400,605	9,214,043	2,277,673	2,983,880	1,223,821	24,100,022
Accumulated depreciation	(2,059,302)	(1,632,602)	(1,695,292)	(1,710,304)	(1,068,492)	(8,165,992)
Net book amount	6,341,303	7,581,441	582,381	1,273,576	155,329	15,934,030

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

7 Cash and cash equivalents	2019	2018
	P	P
Cash at bank and on hand	<u>8,845,519</u>	8,308,623

For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise the following:

Bank balances	8,679,443	8,130,600
FODA reserve	163,703	172,695
Cash at bank	<u>8,843,146</u>	8,303,295
Cash in hand	2,373	5,328
Cash at bank and on hand	<u>8,845,519</u>	<u>8,308,623</u>

The Association's cash and cash equivalents comprise the amounts denominated in the following foreign currencies:

US Dollars	<u>5,745,476</u>	5,663,200
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8 Capital grants	2019	2018
	P	P
Balance at beginning of year	10,114,869	10,682,148
Adjustments	-	(12,978)
Received during the year	5,316,382	-
Less: Amortisation of capital grants	(821,620)	(554,301)
Balance at end of year	<u>14,609,631</u>	<u>10,114,869</u>

9 Borrowings	2019	2018
	P	P
Current		
Finance lease liability	-	-
Finance lease - minimum lease payments		
No later than 1 year	-	-
Later than 1 year but no later than 5 years	-	-
	-	-
Future finance charges on finance lease	-	-
Present value of finance lease liabilities	-	-
	75,080	75,080

The present value of finance lease liabilities is as follows.

No later than 1 year	-	-
Later than 1 year and no later than 5 years	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

9 Trade and other payables	2019	2018
	P	P
Trade payables	5,022,007	3,596,001
PAYE payable	2,072,639	1,984,032
VAT payable	5,315,010	3,822,679
Accrued expenses	2,739,170	2,902,176
Provision for legal claims (Note 17.1)	1,430,000	2,355,257
Provision for leave pay, gratuity and severance pay (Note 17.2)	1,799,608	1,491,850
Other payables	531,752	482,465
	18,910,186	16,634,460
	2019	2018
	P	P
10 Deferred income		
Federation of International Football Associations (FIFA)	5,087,681	12,215,583
Botswana Telecommunications Corporation Limited (BTCL)	4,950,000	4,950,000
	10,037,681	17,165,583
Balance at beginning of year	17,165,583	1,821,833
Grant income received	10,037,681	17,165,583
Transferred to grant income (Note 5)	(17,165,583)	(1,821,833)
Balance at end of year	10,037,681	17,165,583
	2019	2018
	P	P
11 Cash flows generated from operations		
Operating surplus/ (deficit)	5,534,538	(2,392,011)
Adjusted for:		
- Amortisation of capital grants (Note 16)	(821,620)	(554,301)
- Depreciation on property, plant and equipment (Note 10)	1,203,201	910,317
- Loss on disposal of property, plant and equipment	-	2,086
- Tax penalties and interest	114,929	110,877
- Loss allowance of trade and other receivables	245,367	577,110
Changes in working capital:		
- Inventories	344,775	(16,261)
- Deferred income (Note 18)	(7,127,902)	15,343,750
- Trade and Other receivables	(2,041,627)	3,760,884
- Trade and Other payables	2,275,726	(8,066,435)
Cash flows generated from operations	(272,613)	9,676,016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

12 Expenses by nature

2019

2018

P

P

The following items have been charged in arriving at the deficit for the year:

Administrative expenses

Advertising	94,822	529,418
Auditors' remuneration		
- Current year	421,200	443,565
- Underprovision in prior year	-	337,700
Bank charges	97,256	91,556
Coaches - training	481,110	132,043
Consultancy fees	944,959	2,562,071
Convention, workshops and training expenses	454,380	262,167
Depreciation on property, plant and equipment (Note 10)	1,203,201	910,317
Electricity	133,554	114,575
Insurance	294,804	135,404
Loss allowance of trade and other receivables	245,367	577,110
Licenses, permits and tax penalty	1,809,301	937,693
Motor vehicle and other repairs and maintenance expenses	494,832	569,458
Other expenses	987,984	448,504
Printing, stationery, telephone and postage	414,888	660,281
Referees' expenses	436,557	1,134,165
Rentals, leasing charges and levies	459,716	109,865
Reversal of unreconciled interdivision balance	-	(342,170)
Salaries and wages (Note 23.1)	8,982,420	8,893,226
Security	572,907	646,918
League, tournament and national team expenses	25,932,644	24,308,535
Travel and entertainment	2,374,989	1,408,490
- Amortisation of capital grants (Note 16)	46,836,891	44,870,891
- Depreciation on property, plant and equipment (Note 10)	1,203,201	910,317
- Loss on disposal of property, plant and equipment	-	2,086
- Tax penalties and interest	114,929	110,877
- Loss allowance of trade and other receivables	245,367	577,110
Changes in working capital:		
- Inventories	344,775	(16,261)
- Deferred income (Note 18)	(7,127,902)	15,343,750
- Trade and Other receivables	(2,041,627)	3,760,884
- Trade and Other payables	2,275,726	(8,066,435)
Cash flows generated from operations	(272,613)	9,676,016





CONTACTS

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