

BOTSWANA FOOTBALL ASSOCIATION

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

BOTSWANA FOOTBALL ASSOCIATION

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2022

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:

Absa Bank Botswana Limited
First National Bank of Botswana Limited
African Banking Corporation Botswana Limited

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BOTSWANA FOOTBALL ASSOCIATION

STATEMENT OF RESPONSIBILITY BY THE NATIONAL EXECUTIVE COMMITTEE for the year ended 31 March 2022

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. 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 2022 and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards.

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 controls 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 risks 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 and Federation of International Football Associations. 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 45 have been authorised for issue by the National Executive Committee and are signed on its behalf by:



President



First Vice President



Independent auditor's report

To the members of the General Assembly of Botswana Football Association

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Botswana Football Association (the "Association") as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Botswana Football Association's financial statements set out on pages 06 to 45 which comprise:

- the statement of financial position as at 31 March 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in funds and reserves for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the *[insert type of entity]* in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana.

Other information

The National Executive Committee is responsible for the other information. The other information comprises the information included in the document titled "Botswana Football Association Annual Financial Statements for the year ended 31 March 2022". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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Country Senior Partner: R Binedell
Partners: A S Edirisinghe, I D Molebatsi, S K K Wijesena



Other information (continued)

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

Responsibilities of the National Executive Committee for the financial statements

The National Executive Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the National Executive Committee 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 National Executive Committee is responsible for assessing the Association'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 the National Executive Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Executive Committee.
- Conclude on the appropriateness of the National Executive Committee's 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 Association'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 Association to cease to continue as a going concern.



Auditor's responsibilities for the audit of the financial statements (continued)

- 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.

We communicate with the National Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PricewaterhouseCoopers
Firm of Certified Auditors
Practicing member: Kosala Wijesena (CAP 025 2022)

25 November 2022
Gaborone

BOTSWANA FOOTBALL ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2022

	Note	2022 P	2021 P
Income			
Grants and sponsorships	5	35,305,209	38,224,053
Gate takings on games		16,652	-
		35,321,861	38,224,053
Other income	6	3,325,969	2,413,417
Administrative expenses	27	(40,309,836)	(36,788,414)
Operating (deficit)/ surplus		(1,662,006)	3,849,056
Finance income	7	1,765	2,480
Finance costs	7	(598,517)	(575,603)
Net finance costs		(596,752)	(573,123)
(Deficit)/ surplus before income tax		(2,258,758)	3,275,933
Income tax expense	8	-	-
(Deficit)/ surplus for the year from continued operations		(2,258,758)	3,275,933
Deficit from discontinued operations	22	-	(211,676)
(Deficit)/ surplus for the year		(2,258,758)	3,064,257
Other comprehensive income		-	-
Total comprehensive (deficit)/ surplus for the year		(2,258,758)	3,064,257

BOTSWANA FOOTBALL ASSOCIATION

STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

	Note	2022 P	2021 P
ASSETS			
Non-current assets			
Property, plant and equipment	10	14,777,179	14,813,160
Right of use assets	11	325,408	382,709
		<u>15,102,587</u>	<u>15,195,869</u>
Current assets			
Trade and other receivables	12	866,745	903,728
Financial assets at fair value through profit and loss	13	45,321	43,556
Contract assets	14	247,500	-
Cash and cash equivalents	15	8,297,670	17,108,207
		<u>9,457,236</u>	<u>18,055,491</u>
Total assets		<u><u>24,559,823</u></u>	<u><u>33,251,360</u></u>
FUNDS AND LIABILITIES			
Funds and reserves			
Accumulated deficit		(9,829,341)	(7,570,583)
FODA reserve		163,703	163,703
		<u>(9,665,638)</u>	<u>(7,406,880)</u>
LIABILITIES			
Non-current liabilities			
Capital grants	16	12,676,121	13,799,285
Lease liabilities	17	336,233	336,345
Borrowings	18	133,900	-
		<u>13,146,254</u>	<u>14,135,630</u>
Current liabilities			
Trade and other payables	19	13,277,161	10,827,440
Lease liabilities	17	110	59,389
Borrowings	18	106,118	-
Contract liability	20	7,695,818	15,635,781
		<u>21,079,207</u>	<u>26,522,610</u>
Total liabilities		<u><u>34,225,461</u></u>	<u><u>40,658,240</u></u>
Total funds and liabilities		<u><u>24,559,823</u></u>	<u><u>33,251,360</u></u>

BOTSWANA FOOTBALL ASSOCIATION**STATEMENT OF CHANGES IN FUNDS AND RESERVES
for the year ended 31 March 2022**

	FODA reserve P	Accumulated deficit P	Total P
Balance as at 1 April 2020	163,703	(10,634,840)	(10,471,137)
Surplus for the year	-	3,064,257	3,064,257
Other comprehensive income	-	-	-
Total comprehensive surplus for the year	-	3,064,257	3,064,257
Balance at 31 March 2021	163,703	(7,570,583)	(7,406,880)
Balance as at 1 April 2021	163,703	(7,570,583)	(7,406,880)
Deficit for the year	-	(2,258,758)	(2,258,758)
Other comprehensive income	-	-	-
Total comprehensive deficit for the year	-	(2,258,758)	(2,258,758)
Balance at 31 March 2022	163,703	(9,829,341)	(9,665,638)

BOTSWANA FOOTBALL ASSOCIATION

STATEMENT OF CASH FLOWS for the year ended 31 March 2022

	Note	2022 P	2021 P
Cash flows from operating activities			
Cash flows (used in)/ generated from operations	21	(7,074,252)	10,813,257
Income tax paid		-	(675,141)
Net cash (used in)/ generated from operations		<u>(7,074,252)</u>	<u>10,138,116</u>
Cash flows from investing activities			
Interest received	7	1,765	2,480
Investment in mutual funds	13	(1,765)	(1,410)
Purchase of property, plant and equipment	10	(1,444,196)	(624,839)
Disposal of property, plant and equipment		125,802	-
Net cash used in investing activities		<u>(1,318,394)</u>	<u>(623,769)</u>
Cash flows from financing activities			
Lease paid - Capital	17	(59,391)	(130,654)
Lease paid - Interest	17	(21,158)	(28,374)
Loan obtained	18	322,775	-
Loan paid		(82,757)	-
Capital grants received during the year	16	-	339,879
Net cash generated from financing activities		<u>159,469</u>	<u>180,851</u>
Net change in cash and cash equivalents		(8,233,177)	9,695,198
Cash and cash equivalents at beginning of year		17,108,207	7,960,238
Exchange loss on bank balance	7	(577,360)	(547,229)
Cash and cash equivalents at end of year	15	<u>8,297,670</u>	<u>17,108,207</u>

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

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 Association is registered and domiciled in Botswana.

The financial statements set out on pages 6 to 45 have been approved by the National Executive Committee on 24 November 2022.

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.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

2.1.1 Changes in accounting policy and disclosure

- a) **New standards, amendments and interpretations effective for the first time for 31 March 2022 year ends that are relevant to the Association**

International Financial Reporting Standards and amendments effective for the first time for 31 March 2022 year-end		
Number	Effective date	Executive summary
IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment	Annual periods beginning on or after 1 June 2020 (early adoption is permitted) (Published May 2020)	The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment. No impact to the Association.
IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment	Annual periods beginning on or after 1 April 2021 (Published March 2021)	On 31 March 2021, the IASB published an additional amendment to extend the date of the May 2020 practical expedient from 30 June 2021 to 30 June 2022. The March 2021 amendment will only be available if an entity chose to apply the May 2020 optional practical expedient. No impact to the Association.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

- b) New standards, amendments and interpretations effective for the first time for 31 March 2022 year ends that are not relevant to the Association (although they may affect accounting for future transactions)

International Financial Reporting Standards and amendments effective for the first time for 31 March 2022 year-end		
Number	Effective date	Executive summary
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2)	Annual periods beginning on or after 1 January 2021 (Published August 2020)	The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

- c) New standards, amendments and interpretations issued but not effective for 31 March 2022 year ends that are relevant to the Association but have not been early adopted

International Financial Reporting Standards and amendments not effective for the first time for 31 March 2022 year-end		
Number	Effective date	Executive summary
Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2023 (Published Jan 2020)	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment. Further detailed information is available at the following link: In Brief 2020-3
Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.
Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.
Annual improvements cycle 2018 -2020	Annual periods beginning on or after 1 January 2022 (Published May 2020)	These amendments include minor changes to: <ul style="list-style-type: none"> IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.

BOTSWANA FOOTBALL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022**

International Financial Reporting Standards and amendments not effective for the first time for 31 March 2022 year-end		
Number	Effective date	Executive summary
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published February 2021)	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

The Association expect to adopt all above disclosed International Financial Reporting Standards on the effective dates and not expected to have significant impact to the Association.

d) New standards, amendments and interpretations issued but not effective for 31 March 2022 year ends and that are not relevant to the Association

International Financial Reporting Standards and amendments not effective for the first time for 31 March 2022 year-end		
Number	Effective date	Executive summary
Amendment to IFRS 3, 'Business combinations' Asset or liability in a business combination clarity	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

International Financial Reporting Standards and amendments not effective for the first time for 31 March 2022 year-end		
Number	Effective date	Executive summary
IFRS 17, 'Insurance contracts'	<p>Annual periods beginning on or after 1 January 2023</p> <p>Early application is permitted for entities that apply IFRS 9, 'Financial Instruments', and IFRS 15, 'Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17.</p> <p>(Published May 2017)</p>	<p>The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators.</p> <p>Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.</p> <p>Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.</p> <p>For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. Consequently, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.</p>

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

International Financial Reporting Standards and amendments not effective for the first time for 31 March 2022 year-end		
Number	Effective date	Executive summary
IFRS 17, 'Insurance contracts' Amendments	Annual periods beginning on or after 1 January 2023 (Published June 2020)	In response to some of the concerns and challenges raised, the Board developed targeted amendments and several proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.
Annual improvements cycle 2018 -2020	Annual periods beginning on or after 1 January 2022 (Published May 2020)	These amendments include minor changes to: <ul style="list-style-type: none"> • IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. • IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. • IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published May 2021)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.2 Property, plant and equipment

All property, plant and equipment are included at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	50 years
Turf and improvements	20 years
Furniture and fittings and office equipment	6.66 - 10 years
Motor vehicles	4 years
Computer equipment	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.3).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

2.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.4 Financial assets

2.4.1 Classification

The Association classifies its financial assets in the following categories: at fair value through profit or loss and financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.4 Financial assets (continued)

(a) Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Association revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

(b) Financial assets at fair value through other comprehensive income

Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

(c) Financial assets at fair value through profit or loss

All other financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

2.5.2 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

At initial recognition, the Association measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Association recognises the difference as follows:

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.5.2 Initial recognition and measurement (continued)

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

2.5.3 Financial assets

Classification and subsequent measurement

The Association has applied IFRS 9 and classifies its financial assets as amortised cost and fair value through profit or loss.

The classification requirements for debt measured at amortised cost are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Association's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Association classifies its debt instruments as amortised cost as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured using the simplified expected loss model. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

Business model: the business model reflects how the Association manages the assets in order to generate cash flows. That is, whether the Association's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Association in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the liquidity portfolio of assets, which is held by the Association as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.5.3 Financial assets (continued)

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Association assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Association considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Association reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

2.5.4 Impairment of financial assets

The Association recognises expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost which include, trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Association always recognises lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using simplified ECL model based on the provision matrix. The ECL model takes into account Association's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Derecognition of financial assets

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Association neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Association recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.5.5 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Association derecognises financial liabilities when, and only when, the Association's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.6 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of operation. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.8 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.9 Leases

Lease liability

The lease liability is initially measured at the present value of the following lease payments:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the association under residual value guarantees;
- the exercise price of purchase options, if the association is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the association is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease agreements may contain both lease and non-lease components. The association elected not to separate lease and non-lease components, for leases of buildings for which the association is a lessee, and instead accounts for these as a single lease component.

The lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the association's incremental borrowing rate is used. The incremental borrowing rate is the rate that the association would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the association:

- uses recent third-party financing received by the association as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received; and
- makes adjustments specific to the lease, e.g. term, credit standing, economic environment and security.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the association incurs an obligation to do so; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.9 Leases (continued)

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the association is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Useful lives of the right-of-use assets as follows:

Right-of-use assets	2-100 years
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The depreciation charge for each year is recognised in profit or loss.

Termination of leases

When the association or lessor terminates or cancels a lease, the right-of-use asset and lease liability are derecognised.

On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain or loss together with termination or cancellation costs in profit or loss.

Lease of a low value asset or a short-term lease

All leases that meet the criteria as either a lease of a low value asset or a short-term lease are accounted for on a straight-line basis over the lease term.

Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense are recognised.

Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.

Reassessment and modification of leases

Reassessment of lease terms and lease modifications that are not accounted for as a separate lease

When the association reassesses the terms of any lease (i.e. it re-assesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.9 Leases (continued)

For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced to zero any further reduction in the measurement of the lease liability, is recognised in profit or loss.

For lease modifications that are not accounted for as a separate lease, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, for lease modifications that decrease the scope of the lease the carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease, with any resulting difference being recognised in profit or loss as a gain or loss relating to the partial or full termination of the lease.

Lease modifications that are accounted for as a separate lease

When the association modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the association accounts for these modification as a separate new lease. This accounting treatment equally applies to leases which the association elected the short-term lease exemption and the lease term is subsequently modified.

2.10 Leases - where the Association is the lessor

Lease income from operating leases where the association is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

When a lease is terminated before the lease period has expired, any payment expected to be received from the lessee by way of penalty is recognised as an income in the period in which termination takes place.

2.11 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of operation from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.12 Provisions

Provisions for claims are recognised when the Association has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.13 Employee benefits

The Association contributes to a pension fund. Contributions are accounted for in the period in which they arise. A defined contribution plan is a pension plan under which the Association pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Association's contributions to defined contribution plans are charged to the statement of comprehensive income in the period to which the contributions relate.

For employees who are citizens of Botswana and not covered under defined contribution pension fund, the Association has implemented the requirements of the Botswana Labour Act relating to severance benefits. Non-citizen employees are paid an end of contract gratuity ranging from 25% of gross remuneration earned during the period of the contract. The Association's contributions to severance and gratuity are charged to the statement of comprehensive income in the period to which the contributions relate.

2.14 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Botswana Pula, which is the Association's functional and the presentation currency.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.14 Foreign currency translation (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Such monetary assets and liabilities are translated at the exchange rates prevailing at the year end.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within "finance income or cost". All other foreign exchange gains and losses are presented in the statement of comprehensive income within administration expenses.

2.15 Recognition of income

Revenue comprises the fair value of the consideration received from grants, sponsorships, and gate takings in the ordinary course of the Association's activities. The revenue is recognised as follows,

2.15.1 Sponsorships

Sponsorship income is recognised over the period of time as this reflects the nature of performance obligations embedded in the contracts for the services rendered by the Association. Sponsorship income recognition follows a five-step model framework model listed below:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2.15.2 Grants

Operational grants from Botswana National Sports Association, Federation of International Football Association and Confederation of African Football are recognised in the period that those grants relate to, at their fair value where there is a reasonable assurance that the grant will be received, and the Association will comply with all attached conditions.

2.15.3 Contract Assets and Contract Liabilities

Contract assets is recognised when, Association has right to consideration in exchange for services that the entity has transferred to a sponsor/ donor when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

Grants/ sponsorship received for which related projects have not commenced are included in current liabilities as contract liabilities.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.15 Recognition of income (Continued)

2.15.1 Grants relating to purchase of property, plant and equipment

Grants relating to the purchase of property, plant and equipment are deferred and recognised in the statement of comprehensive income on a basis that matches the grant with the depreciation charge on the related property, plant and equipment.

2.15.2 Gate takings on games

Income on sales of ticket is recognised in the accounting period in which the tickets are sold net of Value Added Tax, on the basis of the actual income received from sale of tickets.

Income is recognised at a specific point in time as this reflects the nature of performance obligations embedded in the contracts for the services rendered by the Association. Revenue recognition follows a five-step model framework model listed above under point 2.15.1.

2.15.3 Other income

Other income is accounted for on an accrual basis except for other donations which are accounted for on a receipt basis.

2.15.4 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.15.5 Donations

Donations are accounted for on a receipt basis. Donations relating to the purchase of property, plant and equipment are deferred and recognised in the statement of comprehensive income on a basis that matches the donation with the depreciation charge on the related property, plant and equipment.

2.16 Current income tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax is recognised on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in Botswana.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

2.17 Football Development Appeal (“FODA”) Reserve

The Football Development Appeal reserve is a non-distributable reserve made up of funds obtained by the Association from the general public. The funds are to be utilized for the establishment of football academies and other activities related to promoting the game of football in Botswana.

The funds are recognised initially at fair value of consideration received in the period in which the funds are received.

Subsequently, the funds are recognised as income in the income statement in the period in which related expenditure is incurred to the extent that such expenditure can be measured reliably and it is probable that future economic benefits will flow from the entity to settle the related liability.

3 Financial risk management

3.1 Financial risk factors

The Association’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Association’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Association’s financial performance. Risk management is carried out under policies approved by National Executive Committee Members.

(I) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. In the ordinary course of business, the Association receives cash denominated in foreign currencies and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the American Dollars (USD). At 31 March 2022, if the currency had strengthened by 5 % against the USD with all other variables held constant, post tax profit/ deficit for the year would have been P 184,227 (2021: P 578,643) higher/(lower), mainly as a result of foreign exchange gains / losses on translation of USD denominated cash transactions.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is managed by the finance function. Its objective is to minimise the cost of financing through the placement of temporary excess funds in high yielding money market investments and cash deposits and to the extent possible by re-scheduling more expensive borrowings with cheaper finance.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

3.1 Financial risk factors (Continued)

The Association's interest rate risk arises from short-term deposits. Short-term deposits obtained at variable rates expose the Association to cash flow interest rate risk.

At 31 March 2022, if interest rates on interest-bearing assets had been 5% higher/lower with all other variables held constant, deficit for the year would have been P 2,266 (2021: P 2,247) higher/lower, mainly as result of higher/lower interest income on interest-bearing assets.

(iii) Other price risk

The Association is not exposed to other price risks such as equity price risk, commodity price risk, prepayment risk, and residual value risk.

(II) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. If customers are independently rated, these ratings are used. If there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The credit quality of financial assets is disclosed in Note 9.2

(III) Liquidity risk

Management monitors rolling forecasts of the Association's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Association does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Association's debt financing plans, covenant compliance.

Surplus cash is invested in interest bearing current accounts, time deposits, and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. At the reporting date, the Association held money call deposit funds of P 5,258 (2021: P 405,897) and other short term deposit of P 45,321 (2021: P 43,556) that are expected to readily generate cash inflows for managing liquidity risk.

The table below analyses the Association's financial liabilities based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

(III) Liquidity risk (Continued)

As at 31 March 2022

	Less than 1 year	More than 1 year but no later than 5 years	More than 5 years	Total
	P	P	P	P
Trade and other payables - excluding statutory payables and employee related provisions	9,265,073	-	-	9,265,073
Finance lease	20,621	82,391	1,796,600	1,899,612
Total	9,285,694	82,391	1,796,600	11,164,685

As at 31/03/2021

	Less than 1 year	More than 1 year but no later than 5 years	More than 5 years	Total
	P	P	P	P
Trade and other payables - excluding statutory payables and employee related provisions	6,285,888	-	-	6,285,888
Finance lease	80,548	82,391	1,817,198	1,980,137
Total	6,345,277	82,391	1,817,198	8,266,025

3.2 Capital risk management

The Association's objectives when managing capital are to safeguard the Association's ability to continue as a going concern in order to provide benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital in pursuit of its objective of promoting football in Botswana.

3.3 Fair value estimation of financial instruments

IFRS 13 'Fair Value Measurement', requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

3.4 Discontinued operations

A discontinued operation is a component of the Association operation, the operations and cash flows of which can be clearly distinguished from the rest of the Association and which;

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business; or
- (c) is a subsidiary acquired exclusively with a view to a re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates and judgments concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Association's accounting policies, management has made the following estimates and judgments that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within next year.

(a) Loss allowance on trade and other receivables

The Association recognises expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost which include, trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Association always recognises lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using simplified ECL model based on the provision matrix. The ECL model takes into account Association's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2022

4 Critical accounting estimates and judgments (Continued)

(b) Useful lives of property, plant and equipment

The Association follows the guidance of IAS 16 'Property, plant and equipment' (revised) and determines the residual values and useful lives of assets at each reporting date. This determination requires significant judgement. In making this judgement the management evaluates amongst other factors, the purpose for which the respective asset is acquired, market conditions at the reporting date and the practice adopted by similar organisations.

(c) Recognition of lease liability and right of use assets

The Association follows the guidance of IFRS 16 'Leases' and determines the lease liability and right of use assets. This determination requires significant judgement. In making this judgement the management evaluates amongst other factors, lease period, lease rate, option period and the purpose for which the respective lease asset is acquired, applicable interest rate and the practice adopted by similar organisations.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

5 Grants and sponsorships	2022	2021
	P	P
Grants (Recognise based on activity or expenses incurred)		
Botswana National Sports Commission (BNSC)	4,670,610	8,318,950
Federation of International Football Associations (FIFA)	9,790,132	20,142,492
Confederation of African Football (CAF)	3,937,950	5,749,254
Transfer from contract liability (Note 20)	12,520,475	3,058,860
	<u>30,919,167</u>	<u>37,269,556</u>
Sponsorships (Recognised over the time)		
Debswana Diamond Company Limited	2,066,480	-
Choppies Enterprises limited	-	225,331
First National Bank of Botswana Limited	583,333	583,333
Shock Proof Investments 223 (Pty) Ltd t/a Umbro South Africa	30,733	-
Orange Botswana (Proprietary) Limited	739,999	-
Diamond Trading Company Limited	187,500	-
The Union of European Football Associations (UEFA)	246,030	-
Transfer from contract liability (Note 20)	531,967	145,833
	<u>4,386,042</u>	<u>954,497</u>
	<u>35,305,209</u>	<u>38,224,053</u>
Grants and sponsorship income from discontinued operations		
Sponsorships		
Botswana Telecommunications Corporation Limited (BTCL)	-	1,111,111
Transfer from contract liability (Note 20)	-	1,416,620
	<u>-</u>	<u>2,527,731</u>
6 Other income	2022	2021
	P	P
Amortisation of capital grant (Note 16)	997,356	1,096,207
Retirement/ disposal of capital grants	125,808	-
Rental income	244,942	263,646
Donations	553,000	-
Income received to Regional Football Associations	1,220,937	1,053,564
Others	183,926	-
	<u>3,325,969</u>	<u>2,413,417</u>
Other income from discontinued operations		
Income received to Regional Football Associations	-	28,500
Others	-	5,058
	<u>-</u>	<u>33,558</u>
7 Net finance (costs)/ income	2022	2021
	P	P
Finance income		
Interest income on short term bank deposits	1,765	2,480
	<u>1,765</u>	<u>2,480</u>
Finance costs		
Interest expense	(21,157)	(28,374)
Foreign exchange loss	(577,360)	(547,229)
	<u>(598,517)</u>	<u>(575,603)</u>
Net finance (costs)/ income	<u>(596,752)</u>	<u>(573,123)</u>

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

8 Income tax expense	2022	2021
	P	P
Botswana tax:		
Current income tax expense at 22% (2021: 22%)	-	-
The tax on the Association's (deficit)/ surplus before tax differs from the theoretical amount that would arise using the basic tax rate as follows:		
Operating (deficit)/ surplus from continued operations	(2,258,758)	3,275,933
Operating deficit from discontinued operations	-	(211,676)
Operating (deficit)/ surplus for the year	(2,258,758)	3,064,257
Tax calculated at a tax rate of 22% (2021: 22%)	-	674,137
Tax effect of (deficit)/ surplus not subject to the tax	-	(674,137)
Tax calculated at a tax rate of 22% (2021: 22%)	-	-

The Association is liable to income tax in terms of Section 71(4) subject to paragraph (xxxix) and paragraph (xl) of Part II of the Second Schedule and in accordance with the provisions of paragraph 65 of the Botswana Income Tax Act Chapter 52.01 regarding sporting associations.

As per paragraph (xxxix) any income of a charitable, religious or educational institution or a trust established for public purposes exempt from income tax provided that where a person to whom this paragraph applies, carries on any business or derives any gains from disposal of any property chargeable to tax under section 35, exemption under this paragraph shall not be granted to such person unless it is proved to the satisfaction of the Commissioner General that the income of that person has been applied exclusively for public purposes within that tax year or such extended period as may be allowed by the Commissioner General;

As per paragraph (xl) any income of an association formed for the purpose of promoting social or sports amenities and not involving the acquisition of gain or the possibility of future gains to the extent that such income is applied exclusively for the purposes of such association within that tax year or such extended period as may be permitted by the Commissioner General are exempt from income tax;

With reference to the above paragraph, there is no deferred tax implications.

9 Analysis of financial instruments

9.1 Financial instruments by category	2022	2021
	P	P
9.1.1 Financial Assets measured at amortised cost		
Trade and other receivables - excluding prepayments and statutory receivables (Note 12)	524,863	242,489
Cash and cash equivalents (Note 15)	8,297,670	17,108,207
	<u>8,822,533</u>	<u>17,350,696</u>
9.1.2 Financial assets at fair value through profit and loss (designated)	<u>45,321</u>	<u>43,556</u>

The table below analyses financial instruments carried at fair value, by valuation method at 31 March 2022. This requires disclosure of fair value measurements by level of the fair value measurement hierarchy disclosed in the note 3.3:

	Level 1	Level 2	Level 3	Total
	P	P	P	P
As at 31 March 2022				
Mutual funds	-	45,321	-	45,321
	-	45,321	-	45,321
As at 31 March 2021				
Mutual funds	-	43,556	-	43,556
	-	43,556	-	43,556

	2022	2021
	P	P
9.1.3 Financial liabilities at amortised cost		
Trade and other payables - excluding statutory payables and employee related provisions (Note 19)	9,265,073	6,285,888
Lease liabilities (Note 17)	336,343	395,734
	<u>9,601,416</u>	<u>6,681,622</u>

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

9 Analysis of financial instruments (continued)

9.2 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

		2022	2021
		P	P
Trade and other receivables - excluding prepayments and statutory receivables (Note 12)	Not rated	<u>524,863</u>	<u>242,489</u>
Mutual funds (Vunani Fund Managers (Proprietary) Limited)	Not rated	<u>45,321</u>	<u>43,556</u>
Cash at bank (including held for sale assets)			
Absa Bank Botswana Limited	Not rated	187,810	630,655
First National Bank of Botswana Limited	Not rated	8,103,888	16,469,142
Access Bank Botswana	Not rated	4,496	6,734
		<u>8,296,194</u>	<u>17,106,531</u>

The Association only deposits cash and invests with major banks with high quality credit standing. The Association has deposits with Vunani Fund Managers (Proprietary) Limited, First National Bank Botswana Limited, Absa Bank Botswana Limited and Access Bank Botswana.

Absa Bank Botswana Limited is part of Absa Group Limited, an African financial services group that aims to be the pride of the continent. Absa Group Limited is listed on the JSE in South Africa and is one of Africa's largest diversified financial services group.

Vunani Fund Managers (Proprietary) Limited is a registered investment manager which is well established investment manager and has a good reputation in Africa.

First National Bank of Botswana Limited is listed on the Botswana Stock Exchange and is a subsidiary of First Rand Holdings Limited, a company listed on the Johannesburg Stock Exchange.

Access Bank Botswana formerly known as BancABC Botswana is a subsidiary of Access Bank Group. Access Bank Group has its primary listing on the Nigeria Stock Exchange and with subsidiaries in the Nigeria, South Africa, Zambia and the United Kingdom.

BOTSWANA FOOTBALL ASSOCIATION

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10 Property, plant and equipment

	Buildings P	Turf and improvements P	Furniture, fittings and office equipment P	Motor vehicles P	Computer equipment P	Total P
Year ended 31 March 2021						
Opening net book amount	6,173,291	7,120,744	840,786	1,133,188	416,161	15,684,170
Additions	225,120	-	9,127	214,994	175,598	624,839
Depreciation charge	(170,389)	(460,697)	(160,929)	(516,231)	(187,603)	(1,495,849)
Closing net book amount	6,228,022	6,660,047	688,984	831,951	404,156	14,813,160
At 31 March 2021						
Cost	8,625,725	9,214,043	2,710,484	2,972,656	1,809,234	25,332,142
Accumulated depreciation	(2,397,703)	(2,553,996)	(2,021,500)	(2,140,705)	(1,405,078)	(10,518,982)
Net book amount	6,228,022	6,660,047	688,984	831,951	404,156	14,813,160
Year ended 31 March 2022						
Opening net book amount	6,228,022	6,660,047	688,984	831,951	404,156	14,813,160
Additions	-	-	351,618	1,051,688	40,890	1,444,196
Disposals	-	-	-	(431,328)	-	(431,328)
Depreciation on disposals	-	-	-	305,526	-	305,526
Depreciation charge	(171,003)	(460,697)	(182,951)	(379,791)	(159,933)	(1,354,375)
Reclassification at cost	(75,600)	-	-	75,600	-	-
Depreciation on reclassified asset	1,134	-	-	(1,134)	-	-
Closing net book amount	5,982,553	6,199,350	857,651	1,452,512	285,113	14,777,179
At 31 March 2022						
Cost	8,550,125	9,214,043	3,062,102	3,668,616	1,850,124	26,345,010
Accumulated depreciation	(2,567,572)	(3,014,693)	(2,204,451)	(2,216,104)	(1,565,011)	(11,567,831)
Net book amount	5,982,553	6,199,350	857,651	1,452,512	285,113	14,777,179

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10 Property, plant and equipment (Continued)

Property, plants and equipment include the following amounts where the Association acquired under the capital grants:

	Buildings P	Turf and improvements P	Furniture, fittings and office equipment P	Motor vehicles P	Computer equipment P	Total P
Year ended 31 March 2021						
Opening net book amount	6,079,228	7,120,744	290,618	767,139	297,884	14,555,613
Additions	124,880	-	-	214,994	-	339,874
Depreciation charge	(166,925)	(460,697)	(42,567)	(334,356)	(91,657)	(1,096,202)
Closing net book amount	6,037,183	6,660,047	248,051	647,777	206,227	13,799,285
At 31 March 2021						
Cost	8,429,502	9,214,043	322,343	2,250,335	366,626	20,582,849
Accumulated depreciation	(2,392,319)	(2,553,996)	(74,292)	(1,602,558)	(160,399)	(6,783,564)
Net book amount	6,037,183	6,660,047	248,051	647,777	206,227	13,799,285
Year ended 31 March 2022						
Opening net book amount	6,037,183	6,660,047	248,051	647,777	206,227	13,799,285
Disposals	-	-	-	(431,328)	-	(431,328)
Depreciation on disposals	-	-	-	305,520	-	305,520
Depreciation charge	(166,925)	(460,697)	(42,567)	(235,510)	(91,657)	(997,356)
Closing net book amount	5,870,258	6,199,350	205,484	286,459	114,570	12,676,121
At 31 March 2022						
Cost	8,429,502	9,214,043	322,343	1,819,007	366,626	20,151,521
Accumulated depreciation	(2,559,244)	(3,014,693)	(116,859)	(1,532,548)	(252,056)	(7,475,400)
Net book amount	5,870,258	6,199,350	205,484	286,459	114,570	12,676,121

11 Right of use assets

	Right of use assets - land P	Right of use assets building P	Total P
Year ended 31 March 2021			
Opening net book amount	330,820	182,691	513,511
Addition	1,726	-	1,726
Depreciation charge	(3,569)	(128,959)	(132,528)
Closing net book amount	328,977	53,732	382,709
At 31 March 2021			
Cost	336,069	257,917	593,986
Accumulated depreciation	(7,092)	(204,185)	(211,277)
Net book amount	328,977	53,732	382,709
Year ended 31 March 2022			
Opening net book amount	328,977	53,732	382,709
Depreciation charge	(3,569)	(53,732)	(57,301)
Closing net book amount	325,408	-	325,408
At 31 March 2022			
Cost	336,069	257,917	593,986
Accumulated depreciation	(10,661)	(257,917)	(268,578)
Net book amount	325,408	-	325,408

These lands were acquired under long term lease agreements to develop football facilities. Details of the right-of-use assets as follows,

Nature of the Right-of-use assets	Location	Lease period	
		Start	End
Residential Building	Unit 3 at Plot 2679, Gaborone	9/1/2019	8/31/2021
Land	Lot 73281, Gaborone	2/1/2013	1/31/2073
Land	Lot 43625, Francistown	3/25/2015	3/24/2115
Land	Lethakane/Phase 2 Ext Plot 7112	6/29/2016	6/28/2116
Land	Tonota/ Showground	9/7/2015	9/6/2115
Land	Lot 10458, Chobe, Kazungula	7/24/2020	7/23/2070

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12 Trade and other receivables	2022 P	2021 P
Trade receivables	913,972	485,413
Prepayments	341,882	395,217
Staff advances	670,874	772,619
VAT receivables	-	266,022
Imprest receivables	328,991	567,431
Other receivables	406,666	163,767
	<u>2,662,385</u>	<u>2,650,469</u>
Less: Impairment on trade receivables, staff advances and imprest receivables	<u>(1,795,640)</u>	<u>(1,746,741)</u>
	<u>866,745</u>	<u>903,728</u>

The expected loss allowance for trade receivables, staff advances, imprest receivables, and other receivables are determined as follows,

	1-30 days P	31-60 days P	61-90 days P	Over 90 P	Total P
Year ended 31 March 2022	Current	Past due	Past due	Past due	
Loss allowance %	0%	0%	0%	100%	
Gross carrying amount					
Trade Receivables	19,845	9,923	9,923	874,281	913,972
Staff Advance	21,970	-	-	648,904	670,874
Imprest receivables	25,536	13,969	17,031	272,455	328,991
Total	<u>67,351</u>	<u>23,892</u>	<u>26,954</u>	<u>1,795,640</u>	<u>1,913,837</u>
Loss allowance (Lifetime expected credit loss)					
Trade Receivables	-	-	-	874,281	874,281
Staff Advance	-	-	-	648,904	648,904
Imprest receivables	-	-	-	272,455	272,455
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,795,640</u>	<u>1,795,640</u>
Net carrying amount					
Trade Receivables	19,845	9,923	9,923	-	39,691
Staff Advance	21,970	-	-	-	21,970
Imprest receivables	25,536	13,969	17,031	-	56,536
Total	<u>67,351</u>	<u>23,892</u>	<u>26,954</u>	<u>-</u>	<u>118,197</u>
Year ended 31 March 2021	Current	Past due	Past due	Past due	
Loss allowance %	0%	0%	0%	100%	
Gross carrying amount					
Trade Receivables	-	-	-	485,413	485,413
Staff Advance	18,236	23,000	15,000	716,383	772,619
Imprest receivables	22,425	-	61	544,945	567,431
Total	<u>40,661</u>	<u>23,000</u>	<u>15,061</u>	<u>1,746,741</u>	<u>1,825,463</u>
Loss allowance (Lifetime expected credit loss)					
Trade Receivables	-	-	-	485,413	485,413
Staff Advance	-	-	-	716,383	716,383
Imprest receivables	-	-	-	544,945	544,945
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,746,741</u>	<u>1,746,741</u>
Net carrying amount					
Trade Receivables	-	-	-	-	-
Staff Advance	18,236	23,000	15,000	-	56,236
Imprest receivables	22,425	-	61	-	22,486
Total	<u>40,661</u>	<u>23,000</u>	<u>15,061</u>	<u>-</u>	<u>78,722</u>
Movement in the loss allowance for receivables				2022 P	2021 P
Opening balance as at 1 April				1,746,741	1,588,942
Loss allowance for the year				48,899	157,799
Closing balance as at 31 March				<u>1,795,640</u>	<u>1,746,741</u>

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13 Financial assets at fair value through profit or loss	2022	2021
	P	P
Mutual funds	<u>45,321</u>	<u>43,556</u>

Financial assets at fair value through profit or loss are presented within "investing activities" in the cash-flow statement.

Changes in fair values of financial assets at fair value through profit or loss are recorded in "investment income" - net in the statement of comprehensive income.

The fair value of the units invested in managed funds is based on valuations provided by the fund administrators. Fund administrators determine the valuation of units based on the market prices of the underlying assets.

The movement in the financial assets at fair value through profit or loss are summarised in the table below by measurement category.

	2022	2021
	P	P
Financial assets at fair value through profit or loss		
Balance at beginning of the year	43,556	42,146
Interest reinvestment during the year	1,765	1,410
Balance at end of the year	<u>45,321</u>	<u>43,556</u>

None of the financial assets listed above are past due nor impaired.

14 Contract assets

Orange Botswana (Proprietary) Limited	<u>247,500</u>	-
	<u>247,500</u>	-
Balance at beginning of year	-	222,222
Recognised during the year	247,500	-
Realised during the year	-	(222,222)
Balance at end of year	<u>247,500</u>	-

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15 Cash and cash equivalents	2022	2021
	P	P
Cash at bank and on hand	8,297,670	17,108,207
For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise the following:		
Bank balances	8,296,194	17,106,531
Cash at bank	8,296,194	17,106,531
Cash in hand	1,476	1,676
Cash at bank and on hand	8,297,670	17,108,207
The Association's cash and cash equivalents comprise the amounts denominated in the following		
US Dollars	3,684,534	11,572,858
15.1 Bank balances related to FODA reserve amounted to P163,703 had been transferred to Bank of Botswana during the financial year ended 31 March 2020 due to the fact that account was dormant. However, the Association has recovered the amount from Bank of Botswana during the year.		
15.2 The cash and cash equivalents disclosed above and in the statement of cash flows include bank balances of P 7,695,818 (2021 : P 15,635,781) which are held for special projects/ activities. These cash and cash equivalents are restricted by the conditions attached to those special projects/ activities and therefore not available for general use by the Association.		
16 Capital grants	2022	2021
	P	P
Balance at beginning of year	13,799,285	14,555,613
Received during the year	-	339,879
Retired/ disposed during the year	(125,808)	-
Less: Amortisation of capital grants (Note 6)	(997,356)	(1,096,207)
Balance at end of year	12,676,121	13,799,285
17 Lease liabilities	2022	2021
	P	P
Balance at beginning of year	395,734	524,662
Addition	-	1,726
Lease payments	(80,549)	(159,028)
Interest	21,158	28,374
Balance at end of year	336,343	395,734
Maturity analysis - contractual undiscounted cash flows		
Within one year	20,621	80,548
Two to five years	82,391	82,391
More than five years	1,796,600	1,817,198
Total undiscounted lease liabilities at 31 March	1,899,612	1,980,137
Less: Total finance cost allocated to future periods	(1,563,269)	(1,584,403)
Lease liability at 31 March	336,343	395,734
Current portion	110	59,389
Non-current portion	336,233	336,345
	336,343	395,734

Lease term : 2 - 100 years
Interest rate : 6.5% (Incremental Borrowing Rate)

At 31 March 2022, if the interest rate had increased by 1 % with all other variables held constant, right of use assets as at year end would have been P41,159 higher/ (lower) and lease liabilities as at year end would have been P41,518 higher/ (lower) (2021 - right-of-use assets by P 43,606 and lease liabilities by P 41,682).

The association leases a corporate office and lands. The lease imposes a restriction that the property can only be used by the association unless permission is given by the lessor to sublet, and that the building must be returned to their original condition at the end of the lease.

Extension and termination options are included in the lease. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

18 Borrowings	2022 P	2021 P
Held at amortised cost		
Borrowings	240,018	-
Split between non-current and current portions		
Current portion	106,118	-
Non-current portion	133,900	-
	<u>240,018</u>	<u>-</u>
<p>The loan was obtained from First National Bank Limited to buy a motor vehicle amounted to P 322,775. Duration of the loan is for a period of 3 years and it carries an interest rate of 7.25%.</p>		
19 Trade and other payables	2022 P	2021 P
Trade payables	4,425,836	1,982,410
PAYE payable	1,889,448	1,166,125
VAT payable	105,429	-
Accrued expenses	2,941,747	2,951,247
Accrued for legal claims (Note 19.1)	820,000	832,607
Accrued for leave pay, gratuity and severance pay (Note 19.2)	2,017,211	3,375,427
Other payables	1,077,490	519,624
	<u>13,277,161</u>	<u>10,827,440</u>
19.1 Accrued for legal claims		
Balance at the beginning of the year	832,607	1,045,963
Reversal for the year	(12,607)	(213,356)
Balance at end of year	<u>820,000</u>	<u>832,607</u>
19.2 Accrued for leave pay, gratuity and severance pay		
Balance at the beginning of the year	3,375,427	2,306,497
Accruals for the year	1,403,831	2,462,951
Payments made during the year	(2,762,047)	(1,394,021)
Balance at end of year	<u>2,017,211</u>	<u>3,375,427</u>
20 Contract liability	2022 P	2021 P
Federation of International Football Associations (FIFA)	3,747,167	12,520,475
Debswana Diamond Company Limited	3,099,720	2,583,100
Confederation of African Football (CAF)	137,138	-
Orange Botswana (Pty) Ltd	-	198,872
The Union of European Football Associations (UEFA)	435,126	-
First National Bank	254,167	333,334
Diamond Trading Company Limited	22,500	-
	<u>7,695,818</u>	<u>15,635,781</u>
Balance at beginning of year	15,635,781	4,820,185
Grant income received	5,112,718	15,436,909
Transferred to grant income (Note 5)	(13,052,681)	(4,621,313)
Balance at end of year	<u>7,695,818</u>	<u>15,635,781</u>
21 Cash flows generated from operations	2022 P	2021 P
Operating (deficit)/ surplus from continuing operations	(1,662,006)	3,849,056
Operating deficit from discontinued operations	-	(211,676)
Adjusted for:		
- Amortisation and retirement of capital grants (Note 16)	(1,123,164)	(1,096,207)
- Depreciation on property, plant and equipment (Note 10)	1,354,375	1,495,849
- Right of use assets amortisation (Note 11)	57,301	132,528
- Loss allowance of trade and other receivables	296,620	157,799
- Impairment on inventory	-	31,904
Changes in working capital:		
- Contract assets (Note 14)	(247,500)	222,222
- Contract liability (Note 20)	(7,939,963)	10,815,596
- Trade and Other receivables	(259,636)	759,272
- Trade and Other payables	2,449,721	(5,343,086)
Cash flows(used in)/ generated from operations	<u>(7,074,252)</u>	<u>10,813,257</u>

BOTSWANA FOOTBALL ASSOCIATION

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22 Discontinued operations of Botswana Premier League (BPL) and First Division League

The National Executive Committee (NEC) has ceased/abandoned operations of Botswana Premier League (BPL) and First Division League that were previously under Botswana Football Association (BFA) effective from 10th October 2020 and set up a separate independent entity. Botswana Football League (Proprietary) Limited (BFL) was incorporated on 30th July 2020 for this purpose. Consequently, operations relating to BPL and First Division League has been discontinued and disclosed as discontinued operations in the financial statements for the year ended 31 March 2021. NEC has decided to absorb the assets and liabilities of BPL and First Division League as of 31 March 2021 to BFA.

Results from discontinued operations	Note	2022	2021
		P	P
Income			
Grants and sponsorships	5	-	2,527,731
		-	2,527,731
Other income	6	-	33,558
Administrative expenses	27	-	(2,772,965)
Deficit before income tax		-	(211,676)
Income tax expense	8	-	-
Deficit for the year		-	(211,676)
Cash flows from discontinued operations as follows,			
Net cash used in operating activities		-	(393,130)

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23 Related party balances and transactions

Related parties are members of the National Executive Committee (NEC) of Botswana Football Association, the Botswana National Sports Council (BNSC), Botswana Football League (Proprietary) Limited and key management of Botswana Football Association. The transactions carried out with the related parties during the year are as follows:

	2022	2021
	P	P
Botswana National Sports Commission (BNSC)		
- Grant income	4,670,610	8,318,950
Botswana Football League (Proprietary) Limited (BFL)		
- Expenses incurred on behalf of BFL	1,044,735	-
- Payment received from BFL	(638,247)	-
- Amounts due from BFL	406,488	-
Key management personnel compensation		
Key management personnel include Chief Executive Officer of the Association		
- Chief Executive Officer	1,241,200	1,062,000
Members of the National Executive Committee (NEC)		
- Mileage	96,128	254,121
- Other expenses incurred on behalf of the NEC	642,837	533,766
	738,965	787,887

24 Going concern

There has been significant positive changes in the country in relation to the status of Covid 19 pandemic. The Government of Botswana has relaxed restrictions and this has resulted in the reopening of sporting activities in the country. The Association has been able to participate in both local and regional competitions. The outlook of football in relation to Covid 19 pandemic is positive. Major sponsors such as FIFA and BNSC reacted to the relaxations of restrictions by withdrawing Covid 19 Relief Funds. Nevertheless, this did not affect the going concern of the entity as there has been a corresponding significant decrease in Covid 19 related expenditure.

The Association had a comprehensive deficit for the year ended 31 March 2022 of P 2,258,758 and, as of that date, the Association had an accumulated deficit of P 9,829,341. Furthermore, as at the year end, Association's total liabilities exceeded its total assets by P 9,665,638.

The Association's ability to continue as a going concern is dependent on a number of factors. The most significant of these is that the Association continues to receive funding from Botswana National Sports Commission, FIFA and other major sponsors for the ongoing operations for as long as it takes to restore the solvency of the Association. The Association has been able to secure grants and sponsorships from Botswana National Sports Commission, FIFA and other major sponsor for the year ending 31 March 2023 and the NEC is of the view that the Association will be able to continue its operations at least till the end of the next financial year.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

25 Events after the reporting period

There were no material events after the reporting period that require disclosures in or adjustments to the financial statements.

BOTSWANA FOOTBALL ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022**

26 Commitments

Capital commitments

There were no material capital commitments outstanding as at the reporting date.

27 Administrative expenses

2022 **2021**
P P

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

Administrative expenses

Advertising	697,781	378,806
Auditors' remuneration		
- Current year	408,424	489,200
- Under provision in prior year	261,390	261,390
Bank charges	101,471	45,227
Consultancy fees	756,235	900,544
Convention, workshops and training expenses	735,540	831,669
Depreciation on property, plant and equipment	1,411,675	1,522,416
Electricity	205,276	132,947
Loss allowance of trade and other receivables	296,620	(71,404)
Impairment on inventory	-	31,904
Licenses, permits and tax penalty	95,298	235,109
Motor vehicle and other repairs and maintenance expenses	812,841	682,860
Covid 19 Relief expenses	3,324,826	2,412,939
Other expenses	818,568	419,822
Printing, stationery, telephone and postage	657,401	439,405
Referees' expenses	30,217	435,439
Rentals, leasing charges and levies	58,948	226,432
Salaries and wages (Note 27.1)	10,317,083	12,504,826
Security	486,516	338,995
League, tournament and national team expenses	8,008,381	10,414,823
Travel and entertainment	10,825,345	4,155,065
	40,309,836	36,788,414

27.1 Staff costs comprise:

Salaries and wages	8,728,477	10,273,706
Pension, gratuity and severance benefits	1,588,606	2,231,120
	10,317,083	12,504,826

BOTSWANA FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

27 Administrative expenses (continued)

Administrative expenses relating to discontinued operations	2022	2021
	P	P

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

Administrative expenses

Advertising	-	17,201
Bank charges	-	7,218
Consultancy fees	-	123,256
Convention, workshops and training expenses	-	12,643
Depreciation on property, plant and equipment	-	105,961
Loss allowance of trade and other receivables	-	229,203
Motor vehicle and other repairs and maintenance expenses	-	10,178
Other expenses	-	18,721
Printing, stationery, telephone and postage	-	65,802
Salaries and wages (Note 27.2)	-	1,034,335
Security	-	899
League, tournament and national team expenses	-	1,124,438
Travel and entertainment	-	23,110
	-	<u>2,772,965</u>

27.2 Staff costs comprise:

Salaries and wages	-	802,504
Pension, gratuity and severance benefits	-	231,831
	-	<u>1,034,335</u>

28 Contingent liabilities

There were no contingent liabilities as at the reporting date.