

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

(Amounts in United States Dollars)

	Note	2019	2018
REVENUES			
Financial Assistance	5	1,385,995	623,000
Caribbean Football Union- TV Rights		52,000	77,404
EUFA Assist Project	6	40,000	-
Miscellaneous Income	7	3,525	33,075
Total Revenues		1,481,520	733,479
EXPENSES			
Bank Charges		1,931	617
Depreciation and Amortization	10	24,713	22,741
Donations		2,545	550
Futsal		10,133	-
Hurricane Relief Expenses		-	650
Infrastructure		43,161	29,565
Marketing and Media		7,200	6,882
Men's Competitions		107,362	100,023
Motor Expenses		24,250	17,301
Office Expense		21,620	4,203
National Team Competitions		337,256	233,372
Planning and Administration		74,969	139,746
Refereeing		14,638	6,123
Salaries - Administration and Technical		178,418	-
Technical Development		13,669	3,211
Women's Football Program		12,095	30,038
Youth Football Program		159,849	163,197
Total Expenses		1,033,809	758,219
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS		447,711	(24,740)

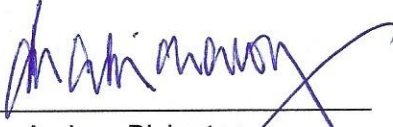
See accompanying Notes to the Financial Statements.


THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019
(Amounts in United States Dollars)

	Note	2019	2018
ASSETS			
Current Assets			
Cash		315,728	761,466
Prepayments	8	188,000	188,000
Other Receivables		47,230	5,720
Due from Related Parties	9	721,578	-
Inventory		-	15,102
Total Current Assets		1,272,536	970,288
Noncurrent Assets			
Property and Equipment	10	186,206	134,399
Security Deposits		3,433	900
Total Noncurrent Assets		189,639	135,299
TOTAL ASSETS		1,462,175	1,105,587
LIABILITIES AND NET ASSETS			
Current Liabilities			
Trade and Other Payables	11	42,099	25,081
Deferred Income	8	219,765	219,765
Due to Related Parties	9	110,134	210,475
Total Liabilities		371,998	455,321
NET ASSETS			
Benevolent Fund	12	9,339	17,139
Unrestricted Net Assets		1,080,838	633,127
Total Net Assets		1,090,177	650,266
TOTAL LIABILITIES AND NET ASSETS		1,462,175	1,105,587

See accompanying Notes to the Financial Statements.

APPROVED BY THE COUNCIL:

President : 
 Andrew Bickerton

Treasurer : 
 Nicholas Messum

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION
STATEMENT OF CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in United States Dollars)

	2019	2018
Unrestricted net assets at the beginning of the year	633,127	657,867
Increase(Decrease) in Unrestricted Net Assets	447,711	(24,740)
Unrestricted net assets at the end of the year	1,080,838	633,127

See accompanying Notes to the Financial Statements.

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in United States Dollars)

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Increase (Decrease) in Unrestricted Net Assets	447,711	(24,740)
Adjustments to Reconcile Increase in Unrestricted Net Assets to Net Cash Flow from Operating Activities		
Depreciation and Amortization	24,713	22,741
Operating profit (loss) before working capital changes	472,424	(1,999)
Decrease (increase) in:		
FIFA Hurricane Relief Funds	-	321,495
Prepayments	-	(188,000)
Other Receivables	(41,510)	(1,051)
Due from Related Parties	(721,578)	131,794
Inventory	15,102	1,715
Security Deposit	(2,533)	-
Increase (decrease) in:		
Trade and Other Payables	17,018	(6,047)
Deferred Income	-	219,765
Due to Related Parties	(100,341)	145,561
Net cash flows generated from (used in) operating activities	(361,418)	623,233
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(76,520)	(95,653)
Cash flow used in investing activities	(76,520)	(95,653)
CASH FLOW FROM FINANCING ACTIVITIES		
Use of Benevolent Fund	(7,800)	-
Cash flow used in financing activities	(7,800)	-
NET INCREASE (DECREASE) IN CASH	(445,738)	527,580
CASH AT THE BEGINNING OF YEAR	761,466	233,886
CASH AT THE END OF YEAR	315,728	761,466

See accompanying Notes to the Financial Statements.

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in United States Dollars)

1. Corporate Information

The British Virgin Islands Football Association (the "Association"), incorporated in the British Virgin Islands under the Companies Act, Cap 285, is a company limited by guarantee, and does not have share capital.

The Association is a nonprofit organization engaged in the administration, organization, development and promotion of football within the British Virgin Islands. The Association achieves this objective by sponsoring men, women and youth leagues on a national level through the assistance of Fédération Internationale de Football Association (FIFA). Effort is also placed in the promotion of football programs in the various schools throughout the territory.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The financial statements of the Association have been prepared on a historical cost basis. The financial statements are presented in United States Dollars (US\$), which is the Association's functional and presentation currency. All amounts are rounded to the nearest dollar, except when otherwise indicated.

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards issued or adopted by the International Accounting Standards Board and interpretations by the Standing Interpretations Committee.

Financial Instruments

The Association recognizes a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. The classification of financial assets and financial liabilities depends on the purpose for which these are acquired and whether they are quoted in an active market. The Management determines the classification of financial assets and financial liabilities at initial recognition and, where allowed and appropriate, reevaluates such designation at the end of each reporting period.

Specifically, the following financial assets and liabilities of the Association are measured in accordance with the preceding policy as follows:

- Cash is carried in the statement of financial position at face amount.
- Trade payables are based on normal credit terms and do not bear interest, are stated at their original invoice amounts.
- Other receivables and payables including receivables from and payable to related parties are measured at the expected cash considerations to be received or paid.

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2019
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in United States Dollars)

At the end of each financial reporting period, the carrying amounts of financial assets are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss, and allowance for impairment is deducted from the related asset that is carried at cost or amortized cost.

A financial asset is derecognized in the financial statements when the contractual rights to cash flows expire or are settled, or when the Company transfers to another party substantially all of the risks and rewards of ownerships of the assets. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

Inventories

Inventories are valued at cost. Cost is determined using the first-in, first-out method. The cost of inventories includes all costs directly attributable to acquisition, such as the purchase price and import duties. Inventory consists of uniforms (shirts, shoes, and socks), tracksuits, and footballs.

Related Party Transactions

Related party transactions exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party, or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among the reporting enterprise and its key management personnel, directors and shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

The initial cost of property and equipment comprises its purchase price or construction cost and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenses incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations or profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

The useful life and depreciation and amortization methods are reviewed and adjusted, if appropriate, periodically to ensure the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment. The carrying values of the property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the value may not be recoverable.

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in United States Dollars)

Depreciation and amortization commences once the assets are available for use and is computed using the straight-line method over the following estimated useful lives:

	Yearly Depreciation Rate
Computer Equipment	25%
Field Equipment	15%
Office Equipment	15%
Office Furniture	10%
Trailer	10%
Vehicles	25%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Association and the amount of the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts. The following specific recognition criteria must also be met before revenue is recognized:

- *Financial assistance* is recognized as income on a systematic basis over the periods in which the Association recognizes as expenses the related costs for which the grants are intended to compensate.
- *Miscellaneous Income* from other sources such as donations and sponsorships is recognized upon receipt.

Expense Recognition

All expenses are recognized in the statement of activities and changes in unrestricted net assets on an accrual basis.

Provisions

Provisions are recognized only when the following conditions are met: a) there exists a present obligation (legal or constructive) as a result of past event; b) it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and c) reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each end of financial reporting period and adjusted to reflect the current best estimate.

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2019
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in United States Dollars)

Contingencies

Contingent liabilities are not recognized in the financial statements but they are disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

Events After End of Financial Reporting Period

Post year-end events that provide additional information about the Association's position at the end of financial reporting period, if any, are reflected in the financial statements. However, post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Management's Use of Judgments and Estimates

The preparation of the Association's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates. The effect of any changes in estimates will be recorded in the Association's financial statements when determinable. 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.

The following presents a summary of these significant estimates and judgments and the related impact and associated risks on the financial statements:

Judgments

In the process of applying the Association's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

• *Classification of Financial Instruments*

The Association classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of the financial instrument, rather than its legal form, governs its classification in the statements of financial position.

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2019
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in United States Dollars)

• *Impairment of Nonfinancial Assets*

The Association determines whether there are indicators of impairment of the Association's property and equipment. Indicators of impairment include significant change in usage, decline in the asset's fair value or underperformance relative to expected historical or projected future results. Determining the fair value of the assets requires the determination of future economic benefit or cash flows expected to be generated from the continued use and ultimate disposition of such assets. It requires the Association to make estimates and assumptions that can materially affect the financial statements. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Association's financial position and financial performance. The preparation of the estimated future cash flows involves significant judgments and estimation.

Determining the fair value of assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Association to make estimates and assumptions. Future event could cause the Association to conclude that property and equipment are impaired. An increase in allowance for impairment losses would increase operating expenses and decrease the related assets.

Estimates

The key assumptions concerning future and other sources of estimating uncertainty at the end of the reporting period that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

• *Estimation of Allowance for Doubtful Accounts*

The Association maintains allowance for doubtful accounts at a level considered adequate to provide for potentially uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that may affect the collectibility of the accounts. These factors include, but are not limited to the past collection experience, the customers' payment behavior and other factors that may affect collectibility. The Association reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis.

• *Estimation of Useful Lives of Property and Equipment*

Useful lives of property and equipment are estimated based on the period over which these assets are expected to be available for use. The estimated useful lives of property and equipment differ from previous estimate due to physical wear and tear. Any reduction in the estimated useful lives of property and equipment would increase the Association's recorded operating expenses and decrease property and equipment. There are no changes in the estimated useful lives of property and equipment in 2019.

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2019
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in United States Dollars)

• *Estimation of Net Realizable Value of Inventories*

In determining the net realizable value of inventories, the BOD takes into account the most reliable evidence available at the times the estimates are made. Provisions are made for inventory whenever net realizable value becomes lower than cost due to physical deterioration or damage. The level of allowance is evaluated by management based on the realizability of inventories. Both aspects are considered key sources of estimation uncertainty.

• *Estimation of Provisions*

The estimate of the probable costs for possible third party claims, if any, has been developed based on management's analysis of potential results. When management believes that the eventual liabilities under these claims, if any, will not have a material effect on the Association's financial statements, no provision for probable losses is recognized.

4. Financial Risk Management

Credit Risk

Credit risk is the risk that a counterparty fails to discharge obligation to the Association. Financial assets which potentially expose the entity to concentrations of credit risk comprise, principally, cash and due from related parties. Cash are placed with a high quality financial institution.

Liquidity Risk

Liquidity risk is the potential inability to meet payment obligations as they come due without incurring unacceptable losses. The Association manages its liquidity needs by carefully monitoring cash outflows due on a day-to-day basis.

5. Financial Assistance

i. FIFA Forward Funds

In 2016 FIFA launched the FIFA Forward Development Programme ("Forward Funds") which replaced the FIFA Financial Assistance Programme ("FAP"). These programmes provide all member associations and confederations with the means to assist FIFA in promoting and developing football worldwide. The annual amount of funds for all FIFA member associations and confederations is determined in FIFA's annual budget.

FIFA member associations are entitled to receive Forward Funds – Operational Costs provided they meet certain operational criteria and to receive Forward Funds – Development to fund certain pre-approved development projects.

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION

FOR THE YEAR ENDED DECEMBER 31, 2019

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in United States Dollars)

The Association had the following receipts during the year:

	2019	2018
FIFA Forward Operational Costs	700,000	500,000
FIFA Forward Development Costs	510,995	-
	<u>1,210,995</u>	<u>500,000</u>

From June 2018 the Association is entitled to receive up to US\$1 million of operational funding and US\$0.5 million of development project funding per year.

ii. One CONCACAF Programme (OCP)

The Confederation of North, Central American and Caribbean Association Football (CONCACAF) OCP Programme provides financial support to all of its 41 member associations in order to improve their technical development and administrative capabilities.

The annual amount of funds for all CONCACAF member associations in good standing is determined in CONCACAF's annual budget, to be used to strengthen its investment in football development to build a stronger foundation for the growth of football in the CONCACAF region. Any unused OCP funds may be carried forward for use in subsequent years.

Each member association is required to provide CONCACAF with a budget proposal expenditure, which is subject to an annual audit by CONCACAF.

The Association reported OCP funds received \$125,000 in 2019 (2018 - \$123,000) in its Statement of Activities.

iii. CONCACAF Grant

CONCACAF have provided an honorarium for the President of \$25,000 per annum. The Association received \$50,000 in 2019 for the years 2018 and 2019 (2018 nil) in the Statement of Activities.

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2019
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in United States Dollars)

6. UEFA Assist Project

In 2018 UEFA launched a UEFA assist Programme partnering hurricane hit CONCACAF member associations with individual UEFA member associations.

The Association was partnered with the Football Association of Ireland ("FAI") and was provided with two coaches for one year from June 1, 2019 funded by UEFA.

7. Miscellaneous Income

This account consists of:

	2019	2018
Insurance Proceeds	-	11,723
Sponsorship	1,000	10,000
Nations Cup Gate receipts	-	7,906
Other Income	2,525	1,946
Membership Dues	-	1,500
	3,525	33,075

8. Prepayments

During 2018 the Association received \$219,765 from FIFA to cover pitch repairs at the East End/Long Look stadium. \$178,000 was paid out as a deposit and work was carried out in 2019. The work did not meet FIFA specification and future payment will be subject to correction of the faults.

9. Related Party Transactions

On September 22, 2014, the Government of the Virgin Islands have entered into development agreement with the BVIFA (along with its parent entity, FIFA) to develop the football field, training track and a net ball court and related facilities of the Multi-purpose facility.

Based on Memorandum of Understanding on Grant Funding (MOU) dated July 19, 2019 among BVI Olympic Committee (BVI OC), East End Long Look Sports Centre, Limited (EELLSCL) and Association, these Parties wish to develop a framework upon which to work together to accommodate the BVI OC within the Multipurpose sporting stadium, comprising primarily the Associations' National Technical Centre and a 400 meter track at the eastern end of Tortola in British Virgin Islands.

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2019
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in United States Dollars)

FIFA Development Committee decided on June 4, 2018 to approve the upgrade of the BVIFA Technical Center, in particular, the installation of drainage, retaining wall, stand foundation and floodlights (the "Project") and instructed the release of \$2,083,145 from entitlement of BVIFA to FIFA Forward funds in milestone payments. In June 2018 and August 2019, the Association received \$624,985 and \$710,049 funding from FIFA on behalf of EELLSCL. As of December 31, 2019, the Association advanced \$721,578 for EELLSCL.

Due to Related Parties

Advances to and from related parties are unsecured, interest free and collectible upon demand.

	2019	2018
Due to director- reimbursement of operating expenses	110,134	112,218
Due to East End Long Look Sports Center, Limited	-	98,257
	<u>110,134</u>	<u>210,475</u>

10. Property and Equipment

COST	January 1			December 31
	2019	Additions	Disposal	2019
Computer Equipment	4,574	2,699	-	7,273
Field Equipment	29,568	2,921	-	32,489
Office Equipment	4,378	-	-	4,378
Office Furniture	5,834	-	-	5,834
Storage Container	-	5,900	-	5,900
Trailer	75,810	-	-	75,810
Vehicles	105,504	65,000	-	170,504
	<u>225,668</u>	<u>76,520</u>	<u>-</u>	<u>302,188</u>
ACCUMULATED DEPRECIATION				
Computer Equipment	609	1,635	-	2,244
Field Equipment	115	4,855	-	4,970
Office Equipment	1,097	657	-	1,754
Office Furniture	328	583	-	911
Storage Container	-	443	-	443
Trailer	4,422	7,581	-	12,003
Vehicles	84,698	8,959	-	93,657
	<u>91,269</u>	<u>24,713</u>	<u>-</u>	<u>115,982</u>
NET BOOK VALUE	<u>134,399</u>	<u>51,807</u>	<u>-</u>	<u>186,206</u>

THE BRITISH VIRGIN ISLANDS FOOTBALL ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2019
NOTES TO THE FINANCIAL STATEMENTS
(Amounts in United States Dollars)

11. Trade and Other Payables

	2019	2018
Accrued expenses	30,919	13,901
Payroll tax liability	11,180	11,180
	<u>42,099</u>	<u>25,081</u>

The Association, as employer, is exempt from payroll tax under Section 8.2 of the Payroll Taxes Act, 2004. Employees, however, are still liable to remit Employee's share on payroll taxes.

12. Benevolent Fund

The benevolent fund was established for players and administrators who have served the Association with distinction for over ten years. Funds were derived from sponsorships, donations, and proceeds from activities. The funds are used for medical expenses, education and death benefits.

During the year, \$7,800 (2018 - Nil) medical and funeral expenses were paid for certain the directors.

13. Events after Reporting Period

After the end of the reporting period, there has been a global coronavirus ("COVID-19") pandemic that has caused significant negative repercussions for businesses and economies globally.

Based on the subsequent events evaluation performed, while there is uncertainty because the pandemic is still developing and as such the ultimate impact on the Association is not known, management is of the opinion that as of the date of issue of the audited financial statements, the Association has access to adequate liquidity and resources to continue to operate the business for the foreseeable future and mitigate the risks associated with COVID-19. Accordingly, no adjustments or further disclosure is required in respect of this matter.

There were no other subsequent events requiring disclosure or recognition in the audited financial statements.