

# **GUYANA FOOTBALL FEDERATION INC.**

**DECEMBER 31, 2021**

## **AUDITED FINANCIAL STATEMENTS**

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**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF  
GUYANA FOOTBALL FEDERATION INC.**

**Opinion**

We have audited the financial statements of **Guyana Football Federation Inc.** (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 1 to 12 present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act Cap. 89:01.

**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 are independent of the Company in accordance with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Companies Act Cap. 89:01, and for such internal control as management determines 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, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

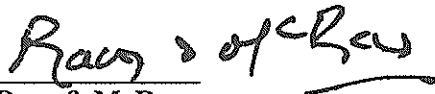
**Auditor's Responsibilities for the Audit of the Financial Statements**

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 judgment and maintain professional skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Company'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 Company to cease to continue as a going concern.
- 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 those charged with governance 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.



**Ram & McRae**  
**Chartered Accountants**  
**Professional Services Firm**  
157 'C' Waterloo Street,  
Georgetown

May 20, 2022

# Guyana Football Federation Inc.

## Statement of Financial Position

As at December 31, 2021

ASSETS	Notes	2021 GS	2020 GS
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	387,233,382	351,652,690
Intangible assets		3,201,392	-
Right of use assets	3(b)	1,532,147	1,532,147
		<u>391,966,921</u>	<u>353,184,837</u>
<b>Current assets</b>			
Accounts receivable	4	8,434,024	9,419,541
Cash resources	5	38,075,213	121,461,727
Inventories	6	811,418	1,188,450
<b>Total current assets</b>		<u>47,320,655</u>	<u>132,069,718</u>
<b>TOTAL ASSETS</b>		<u>439,287,576</u>	<u>485,254,555</u>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Revaluation reserve	7	39,037,375	39,037,375
Accumulated deficit		123,563,882	148,934,863
<b>Total equity</b>		<u>162,601,257</u>	<u>187,972,238</u>
<b>Non-current liability</b>			
Deferred Income	8	214,260,438	214,260,438
Long-term borrowings	9	830,894	1,616,174
Lease Liabilities	3(b)	2,108,587	2,108,587
		<u>217,199,919</u>	<u>217,985,199</u>
<b>Current liabilities</b>			
Short-term borrowings	10	647,917	647,917
Accounts payable and accruals	11	58,838,483	78,245,300
Bank overdraft	5(b)	-	403,901
<b>Total current liabilities</b>		<u>59,486,400</u>	<u>79,297,118</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u>439,287,576</u>	<u>485,254,555</u>

On behalf of the Board of Directors:

  
Wayne Forde  
Director

  
Ian Alves  
Secretary

The notes on pages 5 to 12 form an integral part of these financial statements.

## Guyana Football Federation Inc.

### Statement of Comprehensive Income

For the year ended December 31, 2021

Income	Notes	2021 GS	2020 GS	
- Subvention	- FIFA Grants	12	342,878,876	507,807,857
	- CONCACAF Grants	12	49,518,750	43,889,250
	- CFU Grants	12	37,780,200	-
- Fund Raising Initiatives		13	6,207,600	2,821,500
- Other Income		13	1,991,062	24,929,007
- Donations & Sponsorship		14	29,747,000	12,418,456
- Deferred Income			-	-
<b>Total Income</b>			<b>468,123,488</b>	<b>591,866,070</b>
<b>Cost of Sale</b>			<b>(199,472)</b>	<b>(1,456)</b>
<b>Gross Profit</b>			<b>467,924,016</b>	<b>591,864,614</b>
<b>Expenditure</b>				
- <b>Net Tournament Expense</b>				
- Male Football			134,558,312	28,510,564
- Female Football			26,547,817	633,640
- Youths Football			48,739,929	28,053,396
- Grassroots's Football			72,700	(102,488)
- Elite League	15		-	(1,127,500)
- Affiliation Expense			8,521,745	5,694,217
- Marketing			15,800	101,917,453
- Development			72,665,956	37,306,591
			<b>291,122,259</b>	<b>200,885,873</b>
- Administrative Expenses	16		201,410,122	162,405,804
- Finance	16		762,616	1,421,530
			<b>202,172,738</b>	<b>163,827,334</b>
<b>Total Expenditure</b>			<b>493,294,997</b>	<b>364,713,207</b>
<b>Total comprehensive (gain) for the year</b>			<b>(25,370,981)</b>	<b>227,151,407</b>

*The notes on pages 5 to 12 form an integral part of these financial statements.*

## Guyana Football Federation Inc.

### Statement of Changes in Equity

For the year ended December 31, 2021

	Stated capital	Revaluation reserve	Retained earnings	Total
	GS	GS	GS	GS
Balance at January 1, 2020	-	39,037,375	(78,781,664)	(39,744,289)
IFRS16 Adjustment	-	-	565,120	565,120
Net surplus for the year	-	-	227,151,407	227,151,407
Balance at December 31, 2020	-	39,037,375	148,934,863	187,972,238
Net surplus for the year	-	-	(25,370,981)	(25,370,981)
Balance at December 31, 2021	-	39,037,375	123,563,882	162,601,257

*The notes on pages 5 to 12 form an integral part of these financial statements.*

# Guyana Football Federation Inc.

## Statement of Cash Flows

For the year ended December 31, 2021

	2021 G\$	2020 G\$
<b>Cash flows from operating activities</b>		
Net loss/profit for the year	(25,370,981)	227,151,407
Depreciation	13,052,003	12,490,633
Interest payable	-	579,909
<b>Operating loss before working capital changes</b>	<b>(12,318,978)</b>	<b>240,221,949</b>
(Increase)/decrease in inventories	377,032	1,787,231
Increase in accounts receivable	985,517	991,342
(Increase)/decrease in accounts payable and accruals	(19,406,817)	(66,749,983)
Increase/(decrease) in deferred income	-	(4,372,662)
Changes in opening equity	-	(2,184,000)
<b>Cash generated from operations</b>	<b>(30,363,246)</b>	<b>169,693,877</b>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(3,201,392)	-
Acquisition of property, plant and equipment	(48,632,695)	(52,541,300)
<b>Net cash used in investing activities</b>	<b>(51,834,087)</b>	<b>(52,541,300)</b>
<b>Cash flows from financing activities</b>		
Repayment of mortgage	(785,280)	(334,170)
Repayment of other short term borrowing	-	-
Interest paid	-	385,670
<b>Net cash used in financing activities</b>	<b>(785,280)</b>	<b>51,500</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(82,982,613)</b>	<b>117,204,077</b>
Cash and cash equivalents at January 1,	121,057,826	3,853,749
<b>Cash and cash equivalents at December 31,</b>	<b><u>38,075,213</u></b>	<b><u>121,057,826</u></b>
<b>Cash and cash equivalents comprises of:</b>		
Cash resources	38,075,213	121,461,727
Bank overdraft	-	(403,901)
<b>Cash and cash equivalents as shown in the statement of financial position</b>	<b><u>38,075,213</u></b>	<b><u>121,057,826</u></b>

Note 6

The notes on pages 5 to 12 form an integral part of these financial statements.



# Guyana Football Federation Inc.

## Notes to the Financial Statements

For the year ended December 31, 2021

### 1 Identification and principal activities

The Guyana Football Federation commenced operations in 1902 and was registered in the Co-operative Republic of Guyana on October 8, 2003 under the Friendly Societies Act Cap. 36:04. The Guyana Football Federation Inc. was incorporated on March 26, 2015 under the Companies Act Cap. 89:01 and took over all assets and liabilities of the previous entity.

The Federation aims to promote the efficient management, administration, and development of the game, while at the same time promoting a dynamic and relevant football culture, in which football as a national sport provided for education, social, physical, and total development among youth and adult footballers and various stakeholders.

The Federation's registered office is located at 17 Dadanawa Street, Section "K" Campbellville, Georgetown.

These financial statements were approved by the Directors on May 20, 2022.

### 2 Significant accounting policies

#### (a) Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act Cap. 89:01 under the historical cost basis.

#### *Application of new and revised Standards and Interpretations*

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the prior year except for the adoption of new and amended standards and interpretations which became effective during the period.

The adoption of these pronouncements did not have any impact on the accounting policies, financial position or performance of the Federation.

#### *Standards and Interpretations not yet effective*

At the date of authorization of these financial statements several new and amended standards and interpretations were in issue but not yet effective. The Federation has not early adopted any such pronouncements. Management anticipates that the adoption of these standards and interpretations will have no material impact on the financial statements of the Federation.

#### (b) Property, plant & equipment

Land and buildings are stated at fair value less depreciation for buildings while other property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided on the straight line method at rates estimated to write off the assets over their expected useful lives.

The current rates of depreciation are:

Buildings	2%
Furniture, fittings and other equipment	20% -25%
Computer equipment	20% -25%

No depreciation is recognised on land.

Assets 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 assets carrying amount is higher than the assets fair value less costs to sell or value in use.

#### (c) Reporting currencies

The financial statements are presented in Guyana dollars, which is the Federation's functional currency. Transactions involving foreign currencies are translated at the exchange rates ruling at the dates of these transactions. Monetary balances denominated in foreign currencies are retranslated at the financial reporting date. Any gains and losses arising from the translation of foreign currency balances are taken directly to the statement of comprehensive income.

#### (e) Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank net of the bank overdraft.

# Guyana Football Federation Inc.

Notes to the Financial Statements  
For the year ended December 31, 2021

## 2 Significant accounting policies continued

### (f) Financial instruments

Financial instruments include accounts receivable, cash resources, accounts payable, accruals and borrowings. The Federation's financial assets are classified as 'loans and receivables while its financial liabilities are classified as 'Financial Liabilities measured at Amortised Cost'.

All financial instruments are carried at amortised cost.

### (g) Income and expenditure recognition

Income, including donations, is recognised when the Federation is legally entitled to the resources and the amount can be quantified with reasonable accuracy. Funding from sponsorship is recognised based on the stage of completion of the sponsorship programmed. Income arising from the sale of transmission rights is recognised over the period for which the rights have been granted.

Consideration received prior to the recognition as revenue is classified as deferred income in the statement of financial position.

All expenditure is accounted for on an accruals basis.

### (h) Donated assets

Donated assets are included at the value to the Federation where this can be quantified and a third party is bearing the cost.

### (i) Taxation

The Federation was exempted from taxation while operating under the Friendly Societies Act Cap. 36:04 and is in the process of applying for tax exemption as a non-profit organisation now that it has been incorporated.

## 3(a) Property, plant & equipment

	Land and building G\$	Motor Vehicles	Fixture and fittings G\$	Office equipment G\$	Computer equipment G\$	Other equipment G\$	Work-in- progress G\$	Total G\$
<b>Cost</b>								
As at January 1, 2020	283,583,520	18,500,000	2,902,244	1,493,501	3,244,354	6,610,074	14,020,895	330,354,588
Additions	-	6,600,000	-	1,738,733	-	2,357,644	41,844,923	52,541,300
<b>As at December 31, 2020</b>	<b>283,583,520</b>	<b>25,100,000</b>	<b>2,902,244</b>	<b>3,232,234</b>	<b>3,244,354</b>	<b>8,967,718</b>	<b>55,865,818</b>	<b>382,895,888</b>
Additions	-	4,000,000	787,989	33,286	6,386,837	7,853,176	29,571,407	48,632,695
<b>As at December 31, 2021</b>	<b>283,583,520</b>	<b>29,100,000</b>	<b>3,690,233</b>	<b>3,265,520</b>	<b>9,631,191</b>	<b>16,820,894</b>	<b>85,437,225</b>	<b>431,528,583</b>
<b>Depreciation</b>								
As at January 1, 2020	6,441,211	1,156,250	1,892,528	1,493,479	1,979,820	5,789,277	-	18,752,565
Depreciation Charges	5,121,670	6,000,000	351,285	86,937	525,482	405,259	-	12,490,633
<b>As at December 31, 2020</b>	<b>11,562,881</b>	<b>7,156,250</b>	<b>2,243,813</b>	<b>1,580,416</b>	<b>2,505,302</b>	<b>6,194,536</b>	<b>-</b>	<b>31,243,198</b>
Depreciation Charges	5,121,670	6,548,973	69,185	(337,099)	516,217	1,133,057	-	13,052,003
<b>As at December 31, 2021</b>	<b>16,684,551</b>	<b>13,705,223</b>	<b>2,312,998</b>	<b>1,243,317</b>	<b>3,021,519</b>	<b>7,327,593</b>	<b>-</b>	<b>44,295,201</b>
<b>Net book value</b>								
<b>As at December 31, 2021</b>	<b>266,898,969</b>	<b>15,394,777</b>	<b>1,377,235</b>	<b>2,022,203</b>	<b>6,609,672</b>	<b>9,493,301</b>	<b>85,437,225</b>	<b>387,233,382</b>
As at January 1, 2021	272,020,639	17,943,750	658,431	1,651,818	739,052	2,773,182	55,865,818	351,652,690

\* Land and building is stated at \$27,500,000 revaluation cost and includes historical cost of \$7,500,000. (2016: \$7,500,000).

\*Included herein is land revalued at \$27,500,000 with historical cost of \$7,500,000 (2016: \$7,500,000)

\*Had land and buildings been stated at historical cost, net book value of property, plant and equipment would have been \$24,814,045.

## Guyana Football Federation Inc.

Notes to the Financial Statements  
For the year ended December 31, 2021

### 3(b) Lease

The Company has an amended lease agreement with the Eccles/Ramsburg Neighbourhood Democratic Council for a term of 30 years of a land situated at Frontland Sports Field and Cinder Tract at Plantation Providence.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	2021 G\$	2020 G\$
<b>Land Leased</b>		
As at January 1,	1,719,758	1,719,758
Additions	-	-
Depreciation	187,611	187,611
<b>Right-of-use asset for year ended December 31,</b>	<u>1,532,147</u>	<u>1,532,147</u>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

As at January 1,	2,108,587	1,980,565
Additions	-	-
Accretion of Interest	-	128,022
Principle's Payments	-	-
<b>As at December 31,</b>	<u>2,108,587</u>	<u>2,108,587</u>
Current	128,022	128,022
Non-current	1,980,565	1,980,565
	<u>2,108,587</u>	<u>2,108,587</u>

### 4 Accounts receivable

Receivable from affiliates	5,732,740	6,718,257
Other receivable	14,316,981	14,316,981
Provision for bad debts	(11,615,697)	(11,615,697)
<b>Total</b>	<u>8,434,024</u>	<u>9,419,541</u>

### 5(a) Cash resources

Local Currency	17,006,844	23,799,014
Foreign Currency	21,068,369	97,662,713
<b>Total</b>	<u>38,075,213</u>	<u>121,461,727</u>

### 5(b) Bank overdraft

The bank overdraft facility is held with Republic Bank (Guyana) Limited and is unsecured with interest accruing at a rate of 18.25% per annum.

	2021 G\$	2020 G\$
<b>6(a) Inventories</b>		
Inventory Asset	811,418	1,188,450
	<u>811,418</u>	<u>1,188,450</u>

### 6(b) Inventories items for free distribution

At the date of the financial statements the company had in stock inventories valued at \$101,917,453. The items were procured for free distribution and are carried in the financial statements at NIL value.

# Guyana Football Federation Inc.

## Notes to the Financial Statements

For the year ended December 31, 2021

### 7 Revaluation reserve

This balance represents surplus on the revaluation of the Federation's land and building which was done on January 01, 2017 by an independent professional valuation company.

	2021	2020
	GS	GS

### 8 Deferred Income (non-current)

Artificial Turf Pitch acquired from FIFA.	214,260,438	218,633,100
Transferred to Income statement	-	(4,372,662)
Balance at December 31, 2020	<u>214,260,438</u>	<u>214,260,438</u>

\*This is amortised and charged to the statement of comprehensive income at the rate of 2% for which the asset is depreciated.

*Please refer to Note 3(a).*

### 9 Long-term borrowings

Mortgage on property	1,478,811	2,264,091
Repayable within one year (Note 9)	<u>(647,917)</u>	<u>(647,917)</u>
Total	<u>830,894</u>	<u>1,616,174</u>

The New Building Society Limited holds a first mortgage over the Federation's property situated at Lot 17 Dadanawa Street, Section K, Campbellville, Georgetown.

### 10 Short-term borrowings

Current portion of mortgage (Note 8)	647,917	647,917
Other parties	<u>-</u>	<u>-</u>
Total	<u>647,917</u>	<u>647,917</u>

# Guyana Football Federation Inc.

Notes to the Financial Statements  
For the year ended December 31, 2021

	2021 GS	2020 GS
<b>11 Accounts payable and accruals</b>		
Trade payables and accruals	40,421,955	61,967,856
Statutory liabilities	13,235,322	13,838,567
Tournament deposit	-	-
Audit and professional fees	1,705,410	-
Other Payables	<u>3,475,796</u>	<u>2,438,877</u>
	<u><b>58,838,483</b></u>	<u><b>78,245,300</b></u>

## 12 Grants

Federation Internationale de Football Association (FIFA) [note (a)]	342,878,876	507,807,857
Confederation of North, Central American and Caribbean Association Football (CONCACAF)	49,518,750	43,889,250
Caribbean Football Union (CFU)	<u>37,780,200</u>	-
<b>Total</b>	<u><b>430,177,826</b></u>	<u><b>551,697,107</b></u>

### (a) Composition of FIFA Grants

FIFA provided financial aid and bonuses totalling US\$1,579,444 (2017: US\$926,288) to improve the administration and technical infrastructure of the National Association as part of the Financial Assistance Programme.

### Purpose of FIFA's Financial Assistance Programme

FIFA provides financial aid under its Financial Assistance Programme to National Associations for projects which comply with the following objectives at the national level:

- (a) Establishing and developing a modern, efficient, and functional administrative or sports infrastructure;
- (b) Facilitating the recruitment, training, and remuneration of technical staff employed by the National Association;
- (c) Promoting youth football;
- (d) Providing basic and further training of National Association staff and members as well as others seconded to the Associations for administrative and technical duties;
- (e) Promoting technical and sports development;
- (f) Supporting National Associations in arranging and taking part in official football competitions;

The approval and payment of financial aid from FIFA to the National Associations is reserved exclusively for projects approved by FIFA. Any National Association wishing to make use of its right to financial aid shall send FIFA a written application in compliance with the following conditions:

- (i) The application shall contain a request for financial aid for one or more projects for a predetermined amounts, a description of the project(s) and detailed justification. It shall also include evidence and documents explaining the project(s) and substantiating its/their necessity.
- (ii) The National Association shall provide the usefulness and necessity of the project.

### (b) Football Stadium

During the year 2017, construction began on a Football Stadium which was being funded directly by FIFA, at the year end the project remains a Work-in-Progress.

## 13 Fund Raising Initiatives

Gate receipts	6,207,600	2,821,500
Other Income	<u>1,991,062</u>	<u>24,929,007</u>
<b>Total</b>	<u><b>8,198,662</b></u>	<u><b>27,750,507</b></u>

Gate receipts include revenues from the sale of tickets for the national teams and local league teams matches for all tournaments administered by the Guyana Football Federation Inc. during the year.

## Guyana Football Federation Inc.

### Notes to the Financial Statements

For the year ended December 31, 2021

	2021 GS	2020 GS
<b>14 Sponsorship and donations</b>		
Sponsorship and donations	<u>29,747,000</u>	<u>12,418,456</u>
<b>15 Tournament and development expenses</b>		
<i>Development expenses</i>		
Affiliate associations' expenses	8,521,745	5,694,217
<b>Tournament and development expenses continued (summarised)</b>		
Men's football	134,558,312	28,510,564
Women's football	26,547,817	633,640
Youth's football	48,739,929	28,053,396
Grassroots programme	72,700	(102,488)
Elite League	-	(1,127,500)
Events, programmes, activities management	15,800	101,917,453
Development expenses	<u>72,665,956</u>	<u>37,306,591</u>
<b>Total tournament and development expenses</b>	<u>291,122,259</u>	<u>200,885,873</u>
<b>16 Administrative expenses</b>		
Professional Services	3,565,410	10,446,414
Marketing	19,340,759	3,939,377
Depreciation	15,226,306	12,490,611
Property Expenses	42,018,257	15,240,374
Employment Cost	107,291,920	97,385,740
Travelling	3,799,900	1,969,101
Other administrative and general expenses	10,167,570	20,934,187
Finance Cost	<u>762,616</u>	<u>1,421,530</u>
<b>Total</b>	<u>202,172,738</u>	<u>163,827,334</u>

## Guyana Football Federation Inc.

### Notes to the Financial Statements

For the year ended December 31, 2021

#### 17 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Related parties consist of the directors, trustees, and any entity to which they are affiliated.

##### (a) Related party transactions

Key management compensation	-	-
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##### (b) Related party balances

Balances due from affiliates	150,000	150,000
Balances due to affiliates	-	-

#### 18 Financial instruments and financial risk management

The principal risks arising on financial instruments are credit risk, liquidity risk, foreign exchange risk and interest rate risk. The Federation's risk management policies in relation to each of these risks are as follows:

##### (i) Credit risk

Credit risk arises from cash holdings and accounts receivable. The maximum exposure to credit risk at the reporting date is represented by the carrying amount of these financial assets.

Deposits with financial institutions	17,006,844	23,799,014
Receivables	8,434,024	9,419,541
<b>Total</b>	<b>25,440,868</b>	<b>33,218,555</b>

Cash resources are held with financial institutions licensed in Guyana.

Accounts receivable primarily relate to advances to affiliated associations. Such advances are generally short-term and are without collateral. Receivables which are deemed irrecoverable are written off to the statement of comprehensive income when identified.

##### (ii) Liquidity risk

The Federation manages liquidity risk by budgeting for the planned activities prior to the commencement of the year. Where shortfalls are anticipated, remedial steps are taken including borrowing from financial institutions.

# Guyana Football Federation Inc.

Notes to the Financial Statements  
For the year ended December 31, 2021

## 19 Financial instruments and financial risk management continued

### (ii) Liquidity risk continued

	Less than one year G\$	More than one year G\$	Total G\$
<i>As at 31 December 2021</i>			
Accounts payable and accruals	58,838,483	-	58,838,483
Bank overdraft	-	-	-
Long-term borrowings	-	830,894	830,894
Short-term borrowings	647,917	-	647,917
<b>Total</b>	<b>59,486,400</b>	<b>830,894</b>	<b>60,317,294</b>
<i>As at 31 December 2020</i>			
Accounts payable and accruals	78,245,300	-	78,245,300
Bank overdraft	403,901	-	403,901
Long-term borrowings	-	1,616,174	1,616,174
Short-term borrowings	647,917	-	647,917
<b>Total</b>	<b>79,297,118</b>	<b>1,616,174</b>	<b>80,913,292</b>

### (iii) Foreign currency risk

Foreign currency risk is the risk that the value of a monetary asset or liability will fluctuate because of changes in foreign exchange rates. Funds received by the Federation from affiliates and sponsors are denominated in foreign currency. The Federation is therefore exposed to risks associated with movements in the exchange rates. The Federation has the following monetary assets and liabilities denominated in a currency other than the reporting currency:

	Currency	2021 G\$	2020 G\$
Cash resources	United States dollars	21,068,369	97,662,713

The Federation manages this risk by monitoring exchange rates and ensuring exposure is kept to a minimum. Should exchange rates change by  $\pm 1\%$ , the effect on profit will be as follows:

Increase in rate by 1%	(210,684)	(976,627)
Decrease in rate by 1%	210,684	976,627

### (iv) Interest rate risk

The Federation's interest-bearing instruments carry fixed rates of interest and are carried at amortised cost. Changes in market interest rates would therefore not affect their carrying values or future income or expense. The Federation earns interest ranging between 0.05% to 0.15% on interest earning cash resources. The interest rates on borrowings are disclosed in Notes 6 and 8.

## 20 Fair values

The carrying values of financial instruments, except the mortgage, approximate to their fair value given their short maturity periods. The fair value of the mortgage approximates to its carrying value as the interest rate is set based on market rates for similar facilities.

## 21 Contingent assets and liabilities

(i) The Federation has one pending matter with Leon Rutherford (claimant), in which the claimant's claimed for outstanding payments for accommodation in the sum of \$2,309,400. In finality, a settlement of \$726,800 was agreed by both parties. We have made provisions to accommodate this settlement as well as legal fees of \$150,000.

## 22 Going concern

At December 31, 2019 the Federation had current liabilities amounting to \$148,948,236 a significant portion of which was past due owing to an insufficiency of liquid assets. The Federation's ability to continue its operations would depend on funds becoming available to meet its liabilities. Discussions held with the president of GFF, Mr. Wayne Forde has indicated that FIFA has launched a FIFA COVID-19 Relief Fund of approved US\$1Mn. for football and US\$500k for female football. Before the end of 2020, GFF is looking to service US\$700k of current liabilities.