



**ST. KITTS AND NEVIS FOOTBALL
ASSOCIATION INC.**

Financial Statements

December 31, 2020

(Expressed in Eastern Caribbean Dollars)



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ASSOCIATION INFORMATION

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REGISTERED OFFICE

Lozack Road
P.O. Box 465
Basseterre, St. Kitts and Nevis
West Indies

BOARD MEMBERS

Anthony Johnson - President
Don Grant - 1st Vice President
Cornel Williams - 2nd Vice President
Jamir Claxton - Member
Dwyer Edmeade - Member
Tonya Lawrence - Member
Ronald Williams - Member
George Nolland - Member
Alicia Collins - Member
Stanley Jacobs - General Secretary

BANKERS

St. Kitts-Nevis-Anguilla National Bank Ltd.
Basseterre
St. Kitts & Nevis
West Indies

The Royal Bank of Canada
Fort & Bay St.
P.O. Box 91
Basseterre
St. Kitts & Nevis
West Indies

AUDITORS

BDO LLC
Chartered Accountants
First Floor MAICO Headquarter
Cosley Drive
The Valley, Anguilla, B.W.I.



BDO LLC
P.O. Box 136
Fairplay Complex
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of St. Kitts and Nevis Football Association Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of St. Kitts and Nevis Football Association Inc. (the "Association"), which comprise:

- the statement of financial position as at December 31, 2020;
- the statements of comprehensive income, changes in fund balance and cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Association in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Eastern Caribbean, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 14 to the financial statements which describe the balance and transactions with related parties. These balances and transactions have important effects in the financial position, financial performance and cash flows of the Association.

We also draw attention to Note 15, Significant event during the financial year and subsequent to the end of the reporting period, with regards to the Association current assessment and monitoring on the ongoing effect of the COVID-19 pandemic to the Association's operation and financial statements as at and for the year ended December 31, 2021.



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INDEPENDENT AUDITOR'S REPORT *(continued)*

To the Board of Directors of St. Kitts and Nevis Football Association Inc.

Report on the Audit of the Financial Statements *(continued)*

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 IFRS, 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 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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association's ability to continue as a going concern.



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INDEPENDENT AUDITOR'S REPORT *(continued)*

To the Board of Directors of St. Kitts and Nevis Football Association Inc.

Report on the Audit of the Financial Statements *(continued)*

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

- 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.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

BDO LLC


Chartered Accountants
27th of August 2021
The Valley
Anguilla
British West Indies

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Statement of Financial Position
As at December 31, 2020

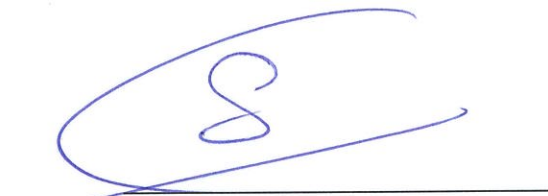
[Expressed in Eastern Caribbean Dollars (EC\$)]

	<i>Notes</i>	2020	2019
ASSETS			
Current assets			
Cash in banks	7	1,043,450	157,693
Prepayments and other assets	8	22,312	-
Noncurrent asset			
Property and equipment - net	9	658,208	560,737
Total assets		1,723,970	718,430
LIABILITIES AND ACCUMULATED FUND			
Liabilities			
Current liabilities			
Bank overdraft	10	-	5,569
Accounts payable and accrued liabilities	11	607,164	407,776
Capital grants	12	461,710	512,023
Total liabilities		1,068,874	925,368
Accumulated fund (deficit)		655,096	(206,238)
Total liabilities and accumulated fund		1,723,970	718,430

These financial statements were approved on behalf of the Board Members and management committee on 27th of August 2021 by the following:



Anthony Johnson
 President



Stanley Jacobs
 General Secretary

The notes on pages 9 to 34 are integral part of these financial statements.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Statement of Comprehensive Income
For the Year Ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

	<i>Note</i>	2020	2019
REVENUE			
Grants			
FIFA		5,045,086	4,681,812
CONCACAF		248,767	1,061,640
CFU		-	419,252
Olympic		27,000	27,000
Total grants		5,320,853	6,189,704
Gate receipts		304,634	187,671
Sponsorships and contributions		114,911	79,485
Subscriptions and team registration		18,200	2,400
Others		16,520	97,232
		5,775,118	6,556,492
OPERATING EXPENSES			
	<i>13</i>		
Local competitions		(1,868,656)	(768,145)
Administrative		(1,641,943)	(1,394,107)
Football development		(1,358,460)	(4,169,359)
Advertising and promotions		(65,961)	(82,210)
		(4,935,020)	(6,413,821)
NET SURPLUS FOR THE YEAR		840,098	142,671
Other comprehensive income		-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		840,098	142,671

The accompanying notes on pages 9 to 34 are integral part of these financial statements.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Statement of Changes in Accumulated Fund
For the Year Ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

	<i>Note</i>	2020	2019
ACCUMULATED FUND (DEFICIT)			
Balance at beginning of the year		(206,938)	(349,609)
Prior period adjustment	<i>11</i>	21,936	-
Balance at beginning of the year, adjusted		(185,002)	(349,609)
Net surplus for the year		840,098	142,671
Balance at end of the year		655,096	(206,938)

The accompanying notes on pages 9 to 34 are integral part of these financial statements.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Statement of Cash Flows
For the Year Ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

	<i>Notes</i>	2020	2019
Cash flows from operating activities			
Net surplus for the year		840,098	142,671
Adjustment for:			
Depreciation	9	144,936	149,195
Amortization of capital grant	12	(50,313)	(50,313)
Adjusted net surplus before working capital changes		934,721	241,553
Increase in prepayments and other assets		(22,312)	-
Increase (decrease) in accounts payable and accrued liabilities		221,324	(95,426)
Net cash provided by operating activities		1,133,733	146,127
Cash flow used in investing activity			
Acquisition of property and equipment	9	(242,407)	(7,137)
Net increase in cash and bank overdraft during the year			
		891,326	138,990
Cash and bank overdraft at beginning of year		152,124	13,134
Cash and bank overdraft at end of the year		1,043,450	152,124
		2020	2019
Cash in banks	5	1,043,450	157,693
Bank overdraft		-	(5,569)
Cash, net of bank overdraft	5	1,043,450	152,124

The accompanying notes on pages 9 to 34 are integral part of these financial statements.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements *(continued)*
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

1. Reporting entity

St. Kitts and Nevis Football Association Inc. (the “Association”) was incorporated in 1999 pursuant to the St. Kitts and Nevis Football Association (Incorporated) Act Chapter 23.27. The aims and objectives of the Association are as follows:

- a) To regulate and control the conduct of football in St. Kitts and Nevis under Fédération Internationale de Football Association (“FIFA”; English: International Federation of Association Football) and to provide playing fields and conveniences in connection therewith;
- b) To promote local and inter-territorial matches and to provide prizes or awards to participants thereof; and
- c) To foster and promote the playing football under the said system and to become members of or affiliated to Association’s having similar objectives.

The registered office of the Association is located at Basseterre, St. Kitts, West Indies.

2. Basis of preparation

The principal accounting policies applied in the preparation of the Association’s financial statements are set out below. These policies have been consistently applied in the current year, unless otherwise stated.

a) Statement of compliance

The financial statements of the Association have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

b) Basis of measurement

The financial statements are prepared under the historical cost basis.

c) Functional and presentation currency

The financial statements are presented in Eastern Caribbean Dollars (EC\$) which is the Association’s functional and presentation currency. Except as indicated, financial information presented in EC\$ has been rounded to the nearest dollar.

d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

2. Basis of preparation (continued)

d) Use of estimates and judgments (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is described in Note 6 to the financial statements.

e) New standards, interpretations and amendments effective from 1 January 2020

The Association has adopted the following new and amended IFRS and IFRIC (International Financial Reporting Interpretations Committee) interpretations as January 1, 2020:

Definition of a Business (Amendments to IFRS 3)

Amendments to IFRS 3 were mandatorily effective for reporting periods beginning on or after 1 January 2020. The Association has applied the revised definition of a business for acquisitions occurring on or after 1 January 2020 in determining whether an acquisition is accounted for in accordance with IFRS 3 Business Combinations. The amendments do not permit the Association to reassess whether acquisitions occurring prior to 1 January 2020 met the revised definition of a business.

COVID-19-Related Rent Concessions (Amendments to IFRS 16)

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) The reduction in lease payments affect only payments originally due on or before 30 June 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements *(continued)*
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

2. Basis of preparation *(continued)*

e) New standards, interpretations and amendments effective from 1 January 2020
(continued)

COVID-19-Related Rent Concessions (Amendments to IFRS 16) *(continued)*

The Association has elected to utilise the practical expedient for all rent concessions that meet the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria, which in the case of the Association, occurred from March 2020 to June 2020.

Accounting for the rent concessions as lease modifications would have resulted in the Association remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset.

By applying the practical expedient, the Association is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2021:

- Interest Rate Benchmark Reform - IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies

The accounting policies set out below have been applied consistently by the Association in the periods presented in the financial statements.

a) Financial assets and financial liabilities

Date of recognition

The Association recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial recognition and measurement

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

“Day 1” difference

Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Association recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Association deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Association determines the appropriate method of recognizing the “Day 1” difference.

Classification

The Association classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company’s business model and its contractual cash flow characteristics.

Financial assets and liabilities at FVPL

Financial assets and liabilities at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements *(continued)*
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies *(continued)*

a) Financial assets and financial liabilities *(continued)*

Financial assets and liabilities at FVPL *(continued)*

- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes equity instruments which the Association had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not “solely for payment of principal and interest” assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Association may, at initial recognition, designate a financial asset or financial liability meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset or financial liability at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets or liabilities.

After initial recognition, financial assets at FVPL and held for trading financial liabilities are subsequently measured at fair value. Unrealized gains or losses arising from the fair valuation of financial assets at FVPL and held for trading financial liabilities are recognized in profit or loss.

For financial liabilities designated at FVPL under the fair value option, the amount of change in fair value that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss.

As of December 31, 2020, the Association does not have financial assets and liabilities at FVPL.

Financial assets at amortized cost

Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies (continued)

a) Financial assets and financial liabilities (continued)

recognized in profit or loss when the financial assets are derecognized and through amortization process.

Financial assets at FVOCI

As of December 31, 2020, the Association's cash is included under this category (see Note 7).

For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Association may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As of December 31, 2020, the Association does not have financial assets at FVOCI.

Financial liabilities at amortized cost

Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Association having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements *(continued)*
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies *(continued)*

a) Financial assets and financial liabilities *(continued)*

of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As of December 31, 2020, the Associations liabilities arising from its accounts payable and accrued liabilities is included under this category (see Note 11).

Reclassification

The Association reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI. For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Impairment of financial assets at amortized cost and FVOCI

The Association records an allowance for “expected credit loss” (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Association expects to receive. The difference is then discounted at an approximation to the asset’s original effective interest rate.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies (continued)

a) Financial assets and financial liabilities (continued)

Impairment of financial assets at amortized cost and FVOCI (continued)

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Association compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Association retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Association has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Association has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Association continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Association could be required to repay.

Financial liabilities

Financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies (continued)

a) Financial assets and financial liabilities (continued)

Derecognition of financial assets and liabilities (continued)

Financial liabilities (continued)

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Association could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset, and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Classification of financial instrument between liability and equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Association does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements *(continued)*
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies *(continued)*

b) Foreign currency

Transactions in foreign currencies are translated to the Association's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in the statement of profit or loss.

c) Cash in banks

Cash in banks comprise current and savings account which are subject to an insignificant risk of changes in value net of any bank overdraft.

d) Property and equipment, net

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

The initial cost of property and equipment consists of its purchase price, import duties, taxes and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

ii. Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

All cost that are directly and clearly association with the construction of certain property and equipment, including borrowing costs, are capitalized, if any.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies (continued)

d) Property and equipment, net (continued)

iii. Depreciation and amortization

Depreciation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Depreciation commences once the asset is available for use in the operation. Land is not depreciated.

The estimated useful lives and depreciation rate of the property and equipment are as follows:

Asset class	Estimated useful life	Rate
Building	20 years	5%
Furniture and fixtures	10 years	10%
Motor vehicles	5 years	20%
Recording equipment	5 years	20%
Computer equipment	5 years	20%
Office equipment	5 years	20%
Other equipment	5 years	20%

The assets' useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. For assets which have residual values, they are reviewed and adjusted if appropriate, at end of each reporting period.

Fully depreciated assets are retained in the accounts unless derecognized and removed from the books if no future benefit that can be obtained upon ultimate disposal.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and any impairment loss are removed from the accounts. Gains or losses arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and carrying amount of the asset and is recognized in the Association's statement of comprehensive income.

An asset's carrying amount is written down to its recoverable amount if the carrying amount is greater than its estimated recoverable amount. The recoverable amount of the Association's asset is higher between their fair value less cost of disposal and value in use.

e) Leases

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Association's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements *(continued)*
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies *(continued)*

e) Leases *(continued)*

assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Association if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets is initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Association revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

f) Impairment of non-financial assets

The carrying amounts of the Association's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies (continued)

f) Impairment of non-financial assets (continued)

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the profit or loss.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

g) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable and accrued liabilities are classified as current liability if payments are 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. Accounts payable and accrued liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

h) Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. The key management personnel of the Association are also considered to be related parties.

Transactions between related parties are based on terms similar to those offered to non-related parties. In considering each possible related relationship, attention is directed to the substance of the relationship and not merely its legal form.

i) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Association's activities. Revenue is shown net of refunds and discounts. To determine whether to recognise revenue, the Association follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies (continued)

i) Revenue recognition (continued)

For Step 1 to be achieved, the following five criteria must be present:

- the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
- each party's rights regarding the goods or services to be transferred or performed can be identified;
- the payment terms for the goods or services to be transferred or performed can be identified;
- the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and
- collection of the consideration in exchange of the goods and services is probable.

The Association recognises contract liabilities (deferred revenue), if any, for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Association satisfies a performance obligation before it receives the consideration, the Association recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Also, the Association applies the revenue recognition criteria set out below.

Grants and deferred income

Grants received in respect of capital expenditure are credited to a deferred grant account and are released to the statement of comprehensive income over the expected lives of the relevant assets by matching the relevant depreciation expense. Where a grant relates to an asset which is not depreciated, the grant remains in deferred grants until the end of the asset's life or when the asset is sold.

Revenue grants are credited to income when the grants are received.

Gate receipts, sponsorships and contributions, subscriptions and team registrations and broadcast rights

Revenue earned from gate receipts, sponsorships and contributions, subscriptions and team registrations and broadcast rights are recognised on the accrual basis.

Interest income

Interest income on deposits with banks is recognized when earned and presented.

Other income

Other income and other miscellaneous income, etc. which are not directly attributable to the ordinary conduct of Association operations are recognized as income in the period earned.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

3. Significant accounting policies (continued)

i) Expense recognition

Expenses are recognized when decreased in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. Expenses are recognized when they are incurred.

j) Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Unpaid benefits at the end of the accounting period are recognized as accrued expense while benefits paid in advance, if any are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Association to its employees include salaries and wages, short-term compensated absences, bonuses and holiday pays, if any.

k) Taxation

Under the existing laws of St. Kitts and Nevis, the Association is not subject to assessment or liable to income tax in the Federation of St. Kitts and Nevis.

l) Provisions

A provision is recognized if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

When it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of economic benefits is remote.

m) Subsequent events

Post year-end events that provide additional information about the Association's position at reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting events are disclosed in the notes when material.

4. Determination of fair values

IFRS 7 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

Level 1: Quoted market price (unadjusted) in an active market for an identical measurement.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

4. Determination of fair values (continued)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The summary of carrying amounts and fair values of the Association's financial assets and liabilities is as follow:

	2020		2019	
	Carrying value	Carrying value	Fair value	Fair value
<i>Financial asset</i>				
Cash	1,043,450	1,043,450	157,693	157,693
<i>Financial liabilities</i>				
Bank overdraft	-	-	5,569	5,569
Accounts payable and accrued liabilities	607,164	607,164	407,776	407,776
	607,164	607,164	413,345	413,345

Due to the short-term nature of the transactions, the fair value of cash in banks, bank overdraft, accounts payable and accrued liabilities approximate their carrying amounts as at reporting date.

5. Financial risk management

The Association's activities expose it to a variety of financial risks: market risk (including foreign currency risk, fair value interest rate risk and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Association has not entered into forward contracts to reduce risk exposures. The Association's overall risk management programme seeks to minimize potential adverse effects on the Association's financial performance. Risk management is carried out by management under policies approved by the Management Committee. The Management Committee identifies and evaluates financial risks in close cooperation with the Association's management.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

5. Financial risk management (continued)

The most significant financial risks to which the Association is exposed to are described below.

i. Market risk

Foreign currency risk

Substantially all of the Association's transactions and assets and liabilities are denominated in either Eastern Caribbean dollars or United States dollars. Currency risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Association's exposure to foreign currency risk is limited as its transactions are mainly denominated in United States or Eastern Caribbean dollars. The exchange rate of the Eastern Caribbean dollar (EC\$) to the United States dollar (US\$) has been formally pegged at EC\$2.70 = US\$1.00 since July 1976. Management does not believe significant foreign currency risk exists as of December 31, 2020 and 2019.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Association's interest-bearing liabilities are disclosed in Note 10. The interest-bearing financial assets include cash at banks disclosed in Note 7. The Association is exposed to risk associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Management does not believe significant interest rate risk exists of December 31, 2020 and 2019.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Association is not exposed to equity securities price risk or exposed to commodity price risk.

ii. Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Association. The Association's credit risk arises from cash in banks. Cash in banks are only placed with well-known reputable banks which represent minimum risk of default. The credit qualities of these financial assets are considered to be of high grade. While cash in banks are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

iii. Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying operations management maintains flexibility in funding by monitoring availability under committed credit lines. All of the Association's financial liabilities are contractually due within 12 months after the end of the reporting period.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

5. Financial risk management (continued)

iv. Capital risk management (continued)

The Association maintains a level of capital that is sufficient to meet several objectives, including an acceptable total debt-to-equity ratio to provide access to adequate funding sources to support current operations and fulfilment of its strategic plan. The Association's capital is represented by its accumulated fund. As of December 31, 2020 and 2019, the Association's accumulated fund (deficit) amounted to \$655,096 and (\$206,938), respectively.

The Association manages its capital structure and makes adjustments in light of changes in activities, economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Association may sell assets to reduce debt and seek additional grant funding.

6. Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions 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.

At year end, in the opinion of management, there were no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

7. Cash in banks

	2020	2019
St. Kitts-Nevis-Anguilla Bank Limited (SKNAB)		
Current account - US\$	762,987	148,849
Current account - EC\$	76,356	-
Savings account - EC\$	388	380
Savings account - EC\$, U-20 Mexico	102	100
	839,833	149,329
The Royal Bank of Canada		
Current account - US\$	186,964	8,364
Current account - EC\$	16,653	-
	1,043,450	157,693

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

7. Cash in banks (continued)

Savings account held with SKNAB earns interest at 2% per annum. Total interest income earned included in other income in the statement of comprehensive income amounted to \$10 and \$8 in 2020 and 2019 respectively.

8. Prepayments and other assets

	2020	2019
Advances to staffs	12,565	-
Prepaid Insurance	9,748	-
	22,312	-

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

9. Property and equipment - net

	Land	Building	Furniture and fixtures	Motor vehicles	Recording equipment	Computer equipment	Office equipment	Other equipment	Total
Cost									
At December 31, 2018	45,969	1,033,260	45,719	422,647	41,212	33,839	72,848	11,062	1,706,556
Additions	-	-	-	-	-	-	2,400	4,737	7,137
Disposal	-	-	-	-	-	-	-	-	-
At December 31, 2019	45,969	1,033,260	45,719	422,647	41,212	33,839	75,248	15,799	1,713,693
Additions	-	-	-	236,500	-	-	5,907	-	242,407
Disposal	-	-	-	-	-	-	-	-	-
At December 31, 2020	45,969	1,033,260	45,719	659,147	41,212	33,839	81,155	15,799	1,956,100
Accumulated depreciation									
At December 31, 2018	-	538,160	41,397	314,797	32,875	29,539	39,815	7,178	1,003,761
Additions	-	51,662	(3,268)	76,129	6,253	3,197	14,196	1,026	149,195
Disposal	-	-	-	-	-	-	-	-	-
At December 31, 2019	-	589,822	38,129	390,926	39,128	32,736	54,011	8,204	1,152,956
Additions	-	51,663	1,415	79,021	2,084	1,103	7,923	1,727	144,936
Disposal	-	-	-	-	-	-	-	-	-
At December 31, 2020	-	641,485	39,544	469,947	41,212	33,839	61,966	9,151	1,297,892
Net book value									
At December 31, 2019	45,969	443,438	7,590	31,721	2,084	1,103	21,237	7,595	560,737
At December 31, 2020	45,969	391,775	6,175	189,200	-	-	19,221	5,868	658,208

Management believes that there is no indication of impairment on the remaining assets as of December 31, 2020. The costs of fully depreciated assets still used in operations amounted to \$582,636 and \$108,547 in 2020 and 2019, respectively.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

9. Property and equipment - net (continued)

There were no items of property and equipment that had restricted title or were pledged as security for liabilities as at December 31, 2020 and 2019.

There were no outstanding contractual commitments with respect to the Association's property and equipment as at December 31, 2020 and 2019.

10. Bank overdraft

	2020	2019
The Royal Bank of Canada Savings account - EC\$	-	4,222
St. Kitts-Nevis-Anguilla National Bank Limited Current account - US\$	-	1,347
	-	5,569

The Association maintained a \$50,000 (2019: \$50,000) overdraft facility with The Royal Bank of Canada which carried an interest rate of 12.5% to 13.0% (2019: 12.5% to 13.0%).

11. Accounts payable and accrued liabilities

	<i>Note</i>	2020	2019
Accounts payable		470,386	347,942
Accrued liabilities		136,778	37,897
Advances from related party	14	-	21,937
		607,164	407,776

Accounts payables pertain to purchases of goods and services on account and are payable on demand. The details of the accounts payable are as follow:

	2020	2019
Director Of Social Security	171,491	18,786
Comptroller Of Customs	158,152	158,152
Bird Rock Beach Hotel	71,259	71,259
Elite Laundro Enterprise	24,770	-
Island Purified Water	5,761	3,953
Accountant General	5,040	5,060
Others	33,913	90,734
	470,386	347,944

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
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[Expressed in Eastern Caribbean Dollars (EC\$)]

11. Accounts payable and accrued liabilities (continued)

Accrued liabilities pertain to accruals for professional fees and other payables incurred during the year but invoices are not yet received by the Association.

Advances from related party are interest free and no fixed terms of repayments which represent the amounts received from the Associations' President in previous year to assist in the Associations' working capital requirements. Prior period adjustment has been made as the liability was settled in 2019.

12. Capital grants

12.1 The Association received capital grants from FIFA to purchase land and construct the Association's building located at Basseterre. St. Kitts. Upon completion of the construction of the building, the related asset cost was transferred to property and equipment which forms part of the "Building" account (see Note 9). The related depreciation charges for the year for this asset are shown as depreciation expense in the statement of comprehensive income while the related deferred grants are released to the statement of comprehensive income as grant income. Total depreciation charges for the year amounted to \$50,313 (2019: \$50,313).

The movement of the deferred grants as of December 31 is as follows:

	2020	2019
Land	45,969	45,969
Building		
Cost	1,006,260	1,006,260
Accumulated depreciation	(590,519)	(540,206)
	415,741	466,054
	461,710	512,023

13. Expenses

The details of the expenses by nature are as follow:

	<i>Note</i>	2020	2019
Salaries, wages, social security and levy	13.2	1,308,148	1,108,991
League expenses		821,274	71,633
National team		448,167	851,840
Cleaning and ground maintenance		400,913	158,738
Referees and allowances		204,974	128,414
Supplies		203,422	166,612
Allowances		169,261	292,455
Security		159,135	120,444

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

13. Expenses (continued)

	<i>Note</i>	2020	2019
Depreciation	9	144,936	149,196
Transportation and travel		125,838	1,258,855
Advertising and promotion		123,509	82,604
Accommodation		115,502	985,503
Entertainment		99,429	211,257
Rentals		77,221	86,492
Facilitators fees		67,686	46,179
League prizes		54,417	67,323
Telephone and faxes		53,036	48,825
Donations		51,296	55,456
Professional fees		43,784	67,130
Insurance		42,380	72,079
Medical		32,493	32,838
Photographic services		32,164	34,691
Freight charges		30,011	10,693
Bank charges		23,354	28,529
Seminars/workshops		21,280	29,600
Utilities		12,228	15,019
Repairs and maintenance		10,469	16,453
Taxes and licenses		9,251	830
Special events		9,078	33,831
Printing and stationery		7,783	41,132
Brokerage fees		4,520	8,111
Subscriptions		3,023	5,897
Office uniforms		1,296	56,478
Postage		577	2,688
Passport/citizenship fees		-	23,110
Others		23,165	43,895
		4,935,020	6,413,821

13.1 The expenses of the Association are classified into four (4) major functions as presented in the statement of comprehensive income as follows:

	2020	2019
Local competitions	1,868,656	768,145
Administrative	1,641,943	1,394,107
Football development	1,358,460	4,169,359
Advertising and promotions	65,961	82,210
	4,935,020	6,413,821

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements (continued)
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

13. Expenses (continued)

13.1 The details of the salaries, wages, and related expenses are as follows:

	2020	2019
Salaries and wages	1,054,683	1,044,648
Government levy	22,080	24,386
Social security	154,616	39,957
	1,308,148	1,108,991

The total key management compensation and related benefits included in the above account amounted to \$52,650 (2019: \$52,650).

14. Related party transactions and balances

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

14. Related party transactions and balances (continued)

The Association related party transactions are summarized below:

	<i>Note</i>	2020	2019
<i>Statement of financial position</i>			
Advances from related party	11,14.1	-	21,937
<i>Statement of comprehensive income</i>			
Key management personnel		52,650	52,650

14.1 Advances from related party represent the amounts received from the Associations' President in previous year to assist in the Associations' working capital requirements. Such amounts are interest free and have no fixed terms of repayment.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements *(continued)*
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

15. Significant event during the financial year and subsequent to the end of the reporting period

On-going effects of COVID-19

As at report date, the coronavirus (COVID-19) outbreak which became an official pandemic on March 11, 2020 has prompted global health and economic concerns. Coronavirus affected entities in nearly every sector, due to the following impacts:

- Reduced consumer demand for goods and services due to lost income and/or restrictions on consumers' ability to move freely;
- Lack of investment in capital improvements and construction reducing demand for many goods and services;
- Reduction in market prices for commodities and financial assets, including equity and debt instruments; and
- Disruption of global supplies chains due to restrictions placed on the movement of people and goods.

The above resulted in various closures of businesses, travel bans and border closures in different countries. Social distancing was strictly implemented, and mass gatherings were prohibited to limit the spread of the virus. This severely restricted the extent to which the crowd and fans can attend and participate in sporting events and some leagues were halted/cancelled. This resulted to significant financial consequences including the Association. Various health measures need to be observed by the Association which require additional costs such as medical supplies, hygiene kits and quarantine costs of players.

There is no definite period when this pandemic end and the Association cannot ascertain as of the moment the total impact of this in its financial statements as of December 31, 2020.

The Association will continue to assess, monitor and will remain cognizant on the ongoing effect of the COVID-19 pandemic to the country, globally and specifically to the Association's revenue and financial statements as at and for the year ended December 31, 2021.

ST. KITTS AND NEVIS FOOTBALL ASSOCIATION INC.
Notes to the Financial Statements *(continued)*
For the year ended December 31, 2020

[Expressed in Eastern Caribbean Dollars (EC\$)]

16. Other matters

- i. In September 2020, St. Kitts and Nevis Social Security Board (SKNSSB) conducted an examination of the Association's compliance to remittances of social security contributions and levy. Based on the result of its examination, the Association is liable of \$205,789, inclusive of \$98,850 fines and penalties, for understated remittances covering month of February in 2018 up until December in 2019. The Association paid \$34,298 of the outstanding amount and made an appeal for the waiver of fines and penalties. As of December 31, 2020, SKNSSB has not formally responded to the Association's appeal. The outstanding liability which includes the fines and penalties are presented under "Accounts payable" in Note 11 of the notes to the financial statements.
- ii. During the Senior Men's match in the Concacaf Nations League in 2019, Mr. Devaughn Elliot, one of the players has sustained injury and file a case against the Association. He is claiming loss of earnings because of injury. The Association made an offer to settle the amount of his medical expenses for his surgery in the amount of \$47,267 which also included airfare and accommodation and his legal cost, however, through his lawyer, he has not accepted the offer and will proceed to court trial. As of December 31, 2020, there is not yet a definite conclusion on the said matter and the amount of liability cannot be reliably estimated as of the moment.