



**AFC**  
EXTRAORDINARY  
**CONGRESS**  
OCTOBER 18<sup>TH</sup> 2023  
[WWW.AFCCONGRESS.COM](http://WWW.AFCCONGRESS.COM)

**FINANCIAL REPORT 2022**





EXTRAORDINARY  
CONGRESS  
OCTOBER 18<sup>TH</sup> 2023  
[WWW.AFCCONGRESS.COM](http://WWW.AFCCONGRESS.COM)

**FINANCIAL REPORT 2022**





# FINANCIAL REPORT 2022

Forewords	6
Financial Overview	10
Statement of Comprehensive Income	12
Investment Expenditure	13
Member Association & Regional Association Development & Education	14
Administration	15
Competitions	16
Statement of Financial Position as at 31 December 2022	18
Financial Outlook	20
Audited Financial Statements 2022 (Enclosure)	21

## AFC FINANCE COMMITTEE CHAIRPERSON



**“** Delivering world-class competitions and strengthening the capabilities of our Member Associations (MAs) and Regional Associations (RAs) remain at the heart of all our efforts **”**

## ***Dear Friends,***

On behalf of the Finance Committee, I am pleased to recommend to you the financial statements for 2022.

In another landmark year, 2022 showcased the unity and solidarity of the AFC and its members to show the world of sport that Asian football had emerged from the pandemic more determined and inspired than ever before.

Delivering world-class competitions and strengthening the capabilities of our Member Associations (MAs) and Regional Associations (RAs) remain at the heart of all our efforts and I am pleased to report that the investments in 2022 reflect this steadfast commitment.

As part of the transitioning to the post pandemic era, we also were able to make some pragmatic decisions, and nowhere is this better demonstrated than in the financial statements for 2022, which recorded a USD12.2m surplus whilst the AFC's accumulated reserve rose from USD3.4m in 2021 to USD15.6m in 2022.

The investment in the AFC's Competitions of USD70.7m accounted for 44.8% of the total investment expenditure in 2022 and the most powerful sign of our recovery was the successful staging of 10 competitions.

Across the Continent, we also successfully delivered the AFC Champions League™ Group Stage and Knockout Stages in the East Region and the AFC Cup™ as well as the highly successful AFC Women's Asian Cup India 2022™, which witnessed an unprecedented growth as engagement statistics surged significantly higher in the AFC's digital channels as compared to the previous edition.

At the same time, 2022 saw the AFC introduce a plethora of new development initiatives, including the consolidated AFC Enhance Programme Regulations, new capacity building courses under the AFC Centre of Excellence, as well as more than 30 Technical and Refereeing workshops, conferences and seminars throughout the calendar year as we transitioned from the virtual space to more physical settings.

And this is reflected through the increase in the total investments directed towards providing tailor-made solutions for the AFC MAs and RAs, which saw a year-on-year increase of 11.3% from USD20.3m in 2021 to USD22.6m in 2022.

These tangible achievements and breakthrough initiatives serve as a clear testament of the AFC's unwavering determination towards enabling its MAs and RAs to achieve unprecedented levels of success and excellence through prudent and purposeful investments, both off and on the pitch.

I would like to extend my heartfelt appreciation to my preceding Chairperson Mariano v. Araneta Jr and his esteemed Finance Committee members for their leadership and guidance, not just in 2022, but throughout the many challenges caused by the pandemic.

We must also convey our gratitude to our external auditors, Ernst and Young, who have audited the financial statements with their unqualified report.

As you review the 2022 Financial Statements, I hope that you develop a clearer perspective not only of our shared journey in the past year, but the renewed optimism reverberating all across the Continent as we look to prime Asian football for stronger growth, in both commercial and football terms, in the years to come.



**Datuk Haji Hamidin Bin Haji Mohd Amin**  
**AFC Finance Committee Chairperson**  
**2023-2027**

## AFC AUDIT AND COMPLIANCE COMMITTEE CHAIRPERSON



“

Amidst this busy period, a key objective of the Audit and Compliance Committee remains to uphold the AFC's core values and ensuring the ongoing transformation of the Confederation stays on course.

”



## ***Dear Friends,***

The year 2022 saw the Asian Football Confederation (AFC) emerge from the shadows of the pandemic with great determination, marked by the eagerly anticipated return of its many competitions and activities.

The swift recovery to business-as-usual was made possible thanks to the solid foundation of good governance and integrity established in recent years, achieved through exemplary cooperation from the AFC's Member Associations (MAs), Regional Associations (RAs) and key stakeholders.

So, it is with a sense of renewed confidence we embark on the exciting journey ahead, as the newly revamped AFC club competitions kick off this year, while the AFC Asian Cup Qatar 2023™ awaits on the near horizon for all excited Asian football fans.

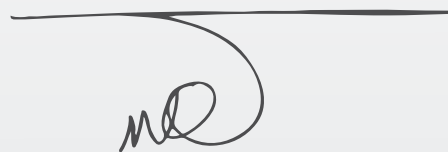
Amidst this busy period, a key objective of the Audit and Compliance Committee remains to uphold the AFC's core values and ensuring the ongoing transformation of the Confederation stays on course. This mandate involves maintaining a focus on enforcing best-in class standards of governance and compliance across the Confederation.

I am pleased to report that the AFC's internal processes have now gained in efficiency and robustness, while the accountability processes have been further enhanced and refined, all with the aim of continuously strengthening and aligning its governance structure with industry best practices to achieve its aim of becoming a model Confederation.

The AFC stands fully committed to preserving and upholding the best in-class risk management practices and maintaining a sound system of internal controls throughout the Confederation.

Furthermore, the AFC has embraced a high level of transparency in all its endeavours across the Continent, including with its MAs and RAs, helping to mitigate various risks associated with financial stability and sustainability, better positioning the Confederation to adapt to changes in the rapidly evolving post-pandemic financial landscape.

I extend my sincere gratitude to my fellow committee members, esteemed colleagues at the AFC Finance Committee, the AFC Internal Audit and Compliance Departments, and, of course, our external auditors for their dedicated efforts in producing the Financial Statements for the Year Ended 2022. I wholeheartedly endorse the report and recommend it to the AFC Congress for adoption.



**Muhannad Fahmi Hamad**  
**AFC Audit and Compliance Committee Chairperson**  
**2023-2027**

# FINANCIAL OVERVIEW

The Asian Football Confederation (AFC) demonstrated its firm resilience to emerge stronger from the pandemic and deliver its Vision and Mission objectives.

The 2022 financial statements showcase the determination and steadfast efforts to support the AFC Member Associations (MAs) and Regional Associations (RAs) in all activities and to deliver world class competitions and events. Notably during the year a record six teams from Asia participated in the FIFA World Cup, which was staged in Qatar.

In spite of the increase in activities, year on year the AFC achieved a surplus of USD12.2m, a significant turnaround from the previous year’s deficit of USD11.1m. This was made possible through the collaborative efforts and support of all stakeholders involved.

Revenue for 2022 experienced a slight decline of 2%, decreasing from USD173.3m in 2021 to USD169.9m in 2022. However, this decline was offset by an increase in other income and higher

fixed deposit interest, mitigating the overall impact on the AFC’s financial standing.

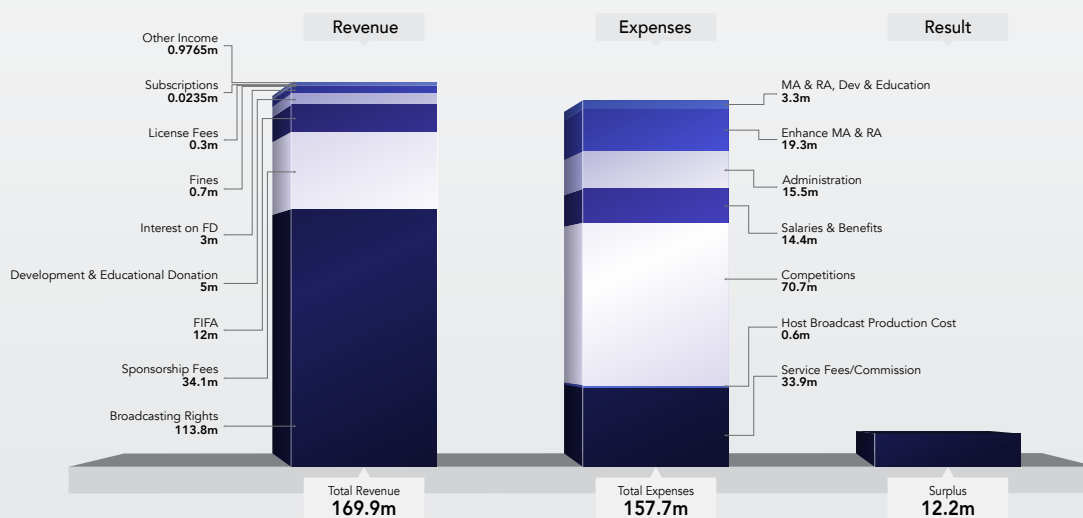
A pragmatic approach to cost management in the AFC’s overall operations resulted in the total investment expenditure for 2022 showing a decrease of 14.5% or USD26.7m from USD184.4m to USD157.7m in 2022.

Despite this overall decrease, the AFC maintained its commitment to supporting its MAs through its development programmes with an increased investment of USD22.6m.

As a result of the prudent measures undertaken, the AFC effectively increased its cash, bank, and fixed deposit balances from USD157.4m in 2021 to USD172.5m at the end of 2022.

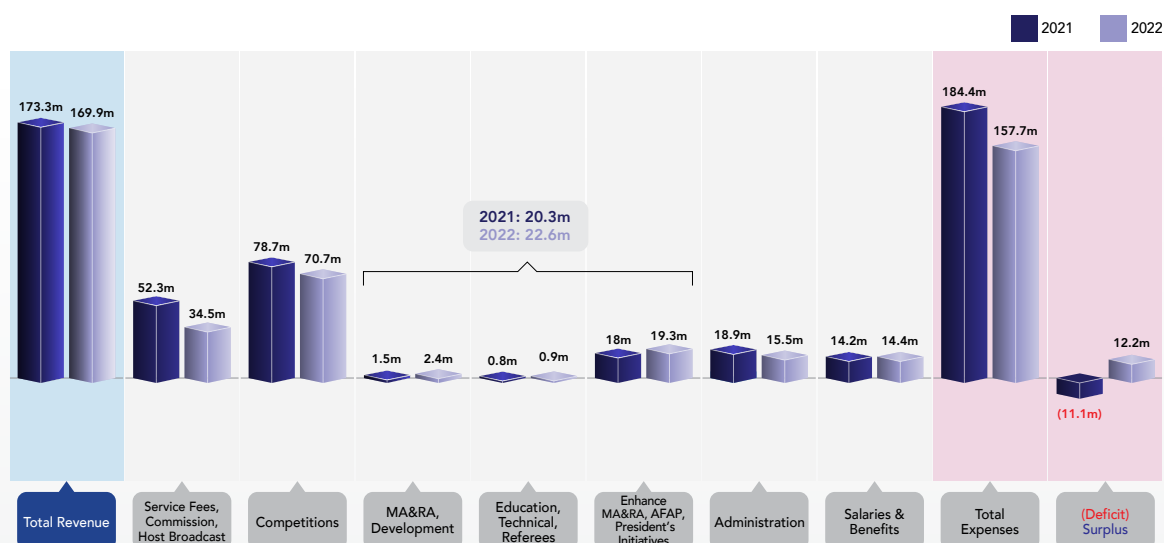
This saw the AFC’s accumulated reserves experience a significant boost from USD3.4m in 2021 to USD15.6m. The growth in reserves can be directly attributed to the surplus of USD12.2m recorded for the year.

**Statement of Comprehensive Income for YE 31 December 2022**  
(USD Million)

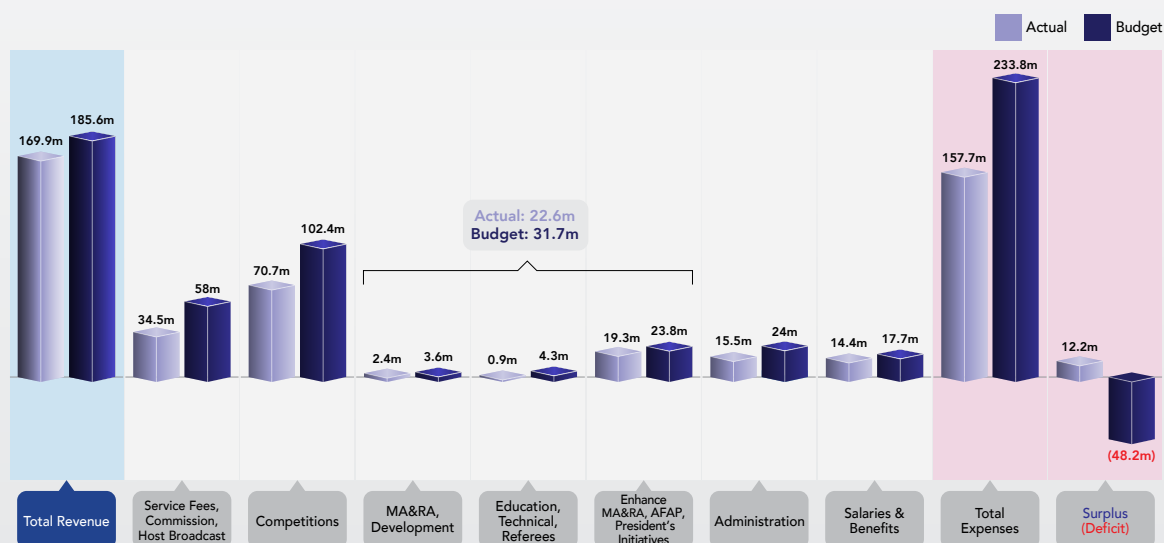


## STATEMENT OF COMPREHENSIVE INCOME

### Comparison Actual for YE 31 December 2021/2022 (USD Million)



### Comparison Actual vs Budget for YE 31 December 2022 (USD Million)



# STATEMENT OF COMPREHENSIVE INCOME

## REVENUE

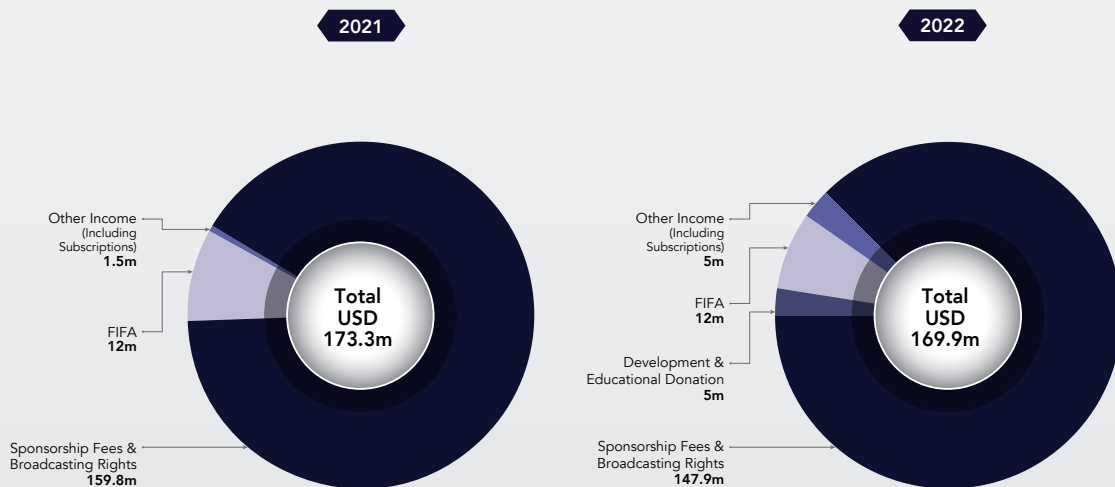
As a result of the pandemic, our exclusive agency partners had to diligently manage the fallout, which included the renegotiation with sponsors and media partners. In some instances, cancellation of contracts was offset by new deals that bridged the gap and soften the impact.

The AFC’s revenue experienced a decline from commercial agreements, including broadcasting rights and sponsorship deals, which amounted to USD147.9m compared to USD159.8m in 2021. Consequently, there were lower service fees and commission payments in 2022, totalling USD33.9m compared to USD50.7m in 2021.

The AFC received and utilised FIFA Forward Funds amounting to USD12m (2021: USD12m) towards the delivery of the AFC Champions League™ 2022 and AFC Cup™ 2022. The AFC also received a USD5m donation from a Member Association (MA), earmarked for MA development and education.



**Revenue Composition 2021/2022**  
(USD Million)



# INVESTMENT EXPENDITURE

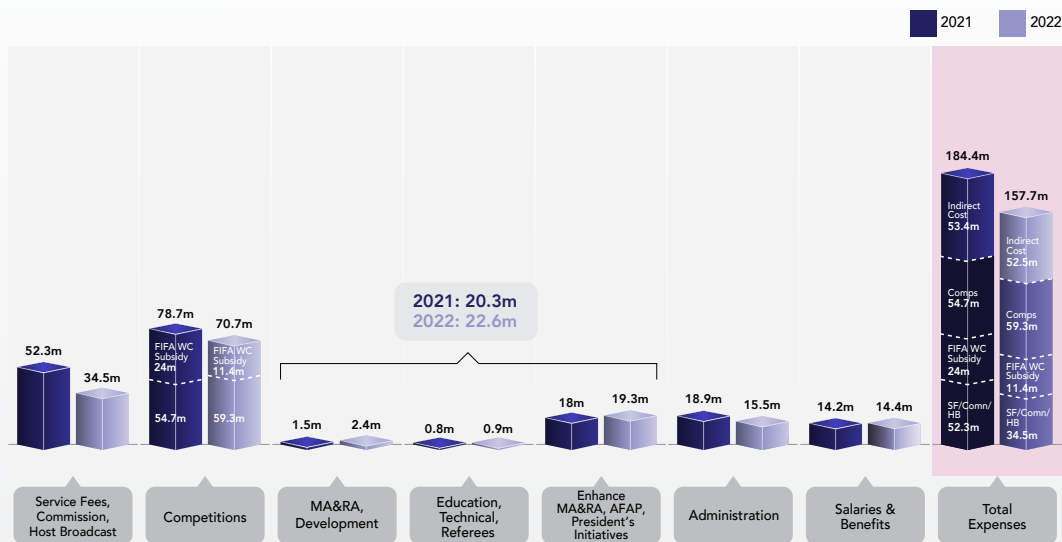
The overall Investment Expenditure was strategically managed to support the increased number of activities with a focus on delivering low cost and high impact activities aligned to the AFC's strategic goals.

The total investment expenditure for 2022 stood at USD157.7m, underlining a lower expenditure of

USD76.1m or 32.5% from the approved budgeted expenditure of USD233.8m mainly due to lower commission and operation costs.

Notably, the investments in strengthening the capabilities of the AFC MAs and RAs in 2022 increased from USD20.3m in the previous year to USD22.6m.

## Expenditure Comparison 2021/2022 (USD Million)



# MEMBER ASSOCIATION & REGIONAL ASSOCIATION DEVELOPMENT & EDUCATION

Investments in Education, Technical and Referees' programmes saw a modest increase from USD0.8m to USD0.9m in 2022 as the education programmes together with the AFC Technical and Referee conferences and seminars were mostly conducted virtually, with some physical programmes being held in the second half of 2022.

As international borders gradually reopened following the COVID-19 pandemic, planned on-site activities for MAs and RAs were successfully carried out, resulting in a higher investment of 60% or USD2.4m compared to USD1.5m in 2021.

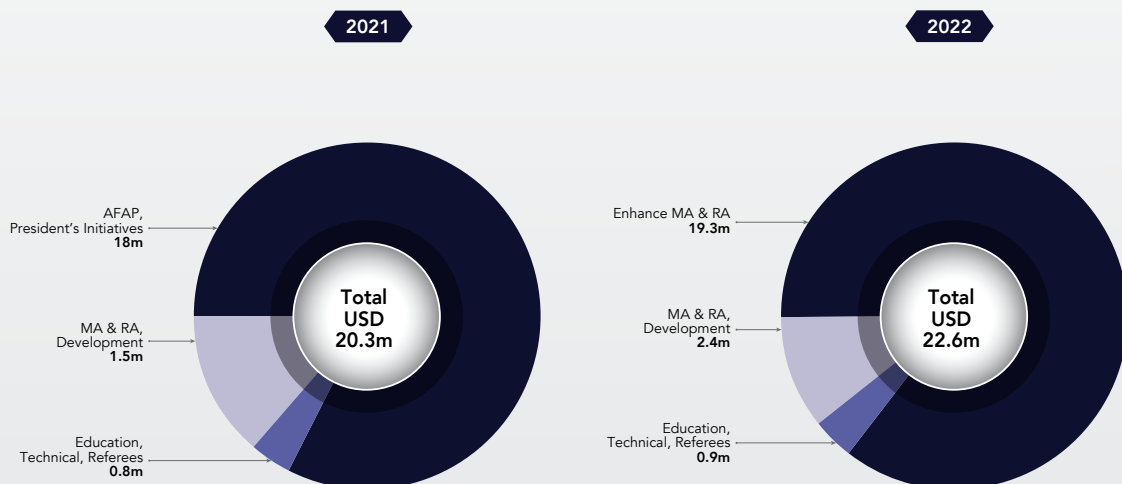
These activities encompassed significant initiatives, including the continuation of the landmark AFC Academic Centre of Excellence programmes, with three more editions each of the Football

Management Diploma and Football Management Certificate being launched over the course of 2022. Additionally, the inaugural AFC Internship Programme was introduced, bringing to life the AFC's dream of enhancing administrative standards within its MAs and RAs, by training its future leaders through direct placement at the AFC.

Furthermore, the AFC Enhance MA and RA Programmes continued to play a pivotal role in developing the AFC's MAs and RAs, resulting in higher total expenditure of USD19.3m in 2022 as compared to USD18m in 2021.

The AFC Enhance MA, AFC Advantage, and AFC ExtraTime programmes benefitted 34 MAs and were mainly utilised for capacity building, men's national team expenses and women's football development.

**Member Association & Regional Association Development & Education 2021/2022**  
(USD Million)

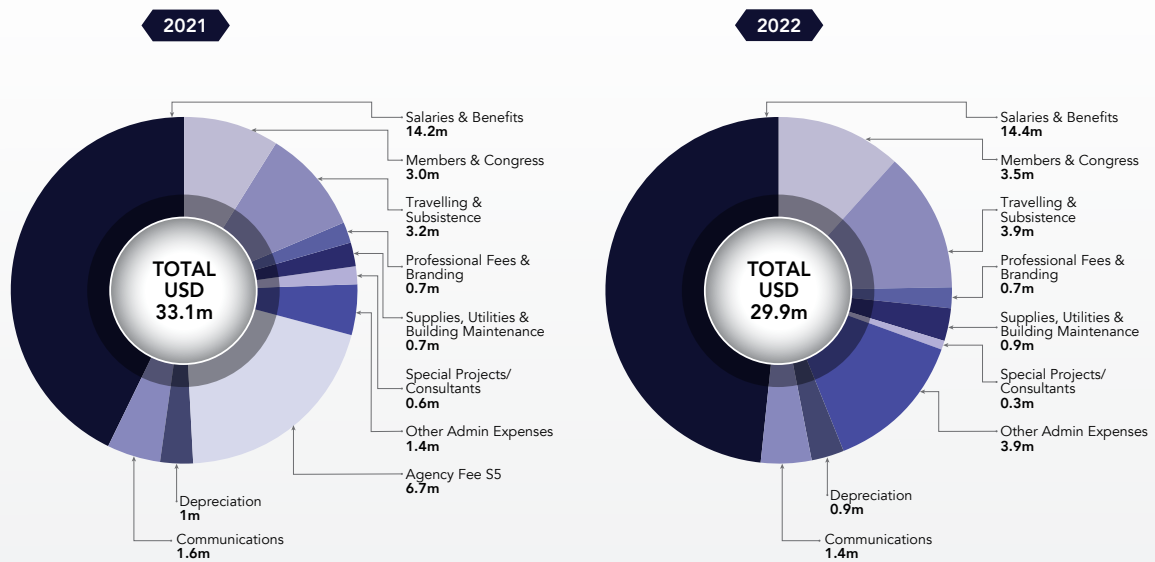


# ADMINISTRATION

In terms of Administrative and Project expenses, the total cost incurred in 2022 stood at USD29.9m compared to USD33.1m in 2021, with savings of USD3.2m mainly attributed to the deferment of the activities in 2022 and one-off expenses incurred in 2021.

Overall, the AFC's total investment expenditure in 2022 amounted to USD157.7m, which was lower than the budgeted USD233.8m. Notably, the actual year-on-year expenditure reduced by USD26.7m as compared to 2021.

## Administration 2021/2022 (USD Million)



# COMPETITIONS

Competitions remain the primary beneficiary of football investment expenditure. In 2022, the AFC successfully delivered ten (10) competitions as compared to seven (7) competitions in 2021, in a sign of the steady comeback from the pandemic days.

An equivalent to 44.8% of the total expenditure of USD157.7m, was invested in line with the AFC’s Vision of creating world-class competitions.

The total investment in Competitions is USD70.7m for 2022 which represents a decrease of 10.2% when compared to the previous year’s investment of USD78.7m. The lower cost is partially due to the changes in the competitions calendar.

Included in the investment is a subsidy of USD11.4m paid to the PMAs towards the FIFA World Cup Qatar 2022 Asian Qualifiers Final Round. In 2021, the total subsidy paid out for the FIFA World Cup Qatar 2022 Asian Qualifiers Final Round amounted to USD24m.

The total investment in the AFC Champions League™ stood at USD20.8m, lower by USD13.1m due to the deferment of the AFC Champions League™ West

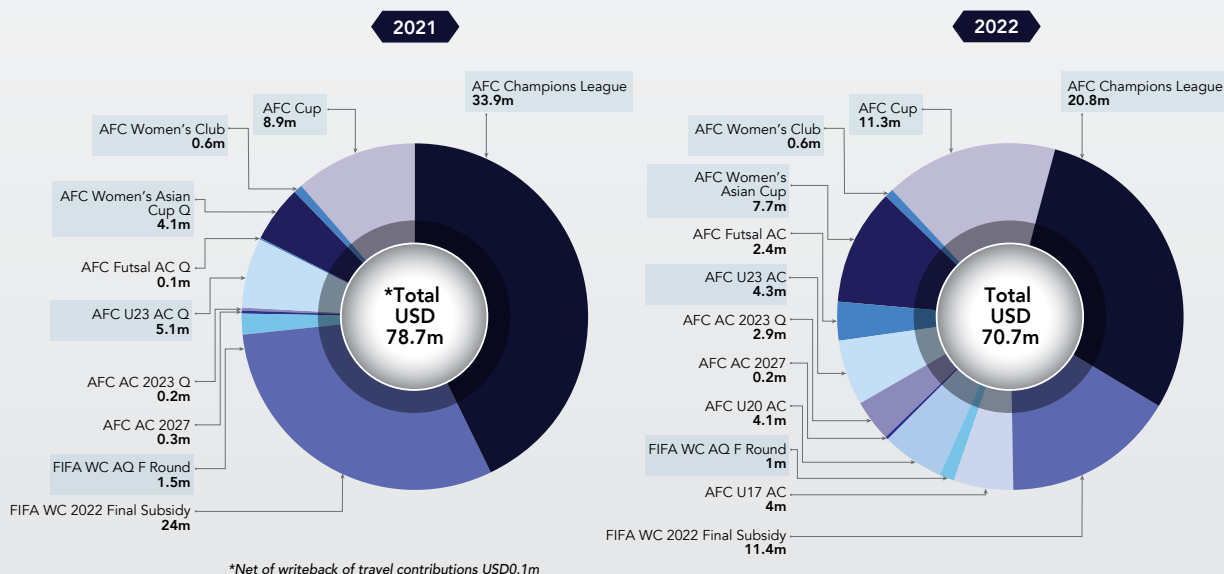
Knockout Stage and Final matches, which were rescheduled to be played in 2023 due to the FIFA World Cup Qatar 2022.

The AFC Women’s Asian Cup India 2022™ saw an investment of USD7.7m, with savings of USD5.2m achieved from the approved budget of USD12.9m.

It is noteworthy that the investment in these 10 competitions resulted in a 12% growth across all of AFC’s digital assets in terms of followers. In 2022, the total number of followers reached 22,624,431, compared to 20,196,684 in 2021. Additionally, digital platform video views witnessed a significant surge in traffic, registering 442.7m views in 2022 compared to 382.2m in 2021 – a notable 15.8% jump.

Particularly eye-catching was the unprecedented growth witnessed during the AFC Women’s Asian Cup India 2022™ with the AFC’s digital channels witnessing a staggering growth as compared to the AFC Women’s Asian Cup Jordan 2018™. This comprised 270 million impressions, 17 million engagements and 74 million video views.

**Competition Expenses 2021/2022**  
(USD Million)





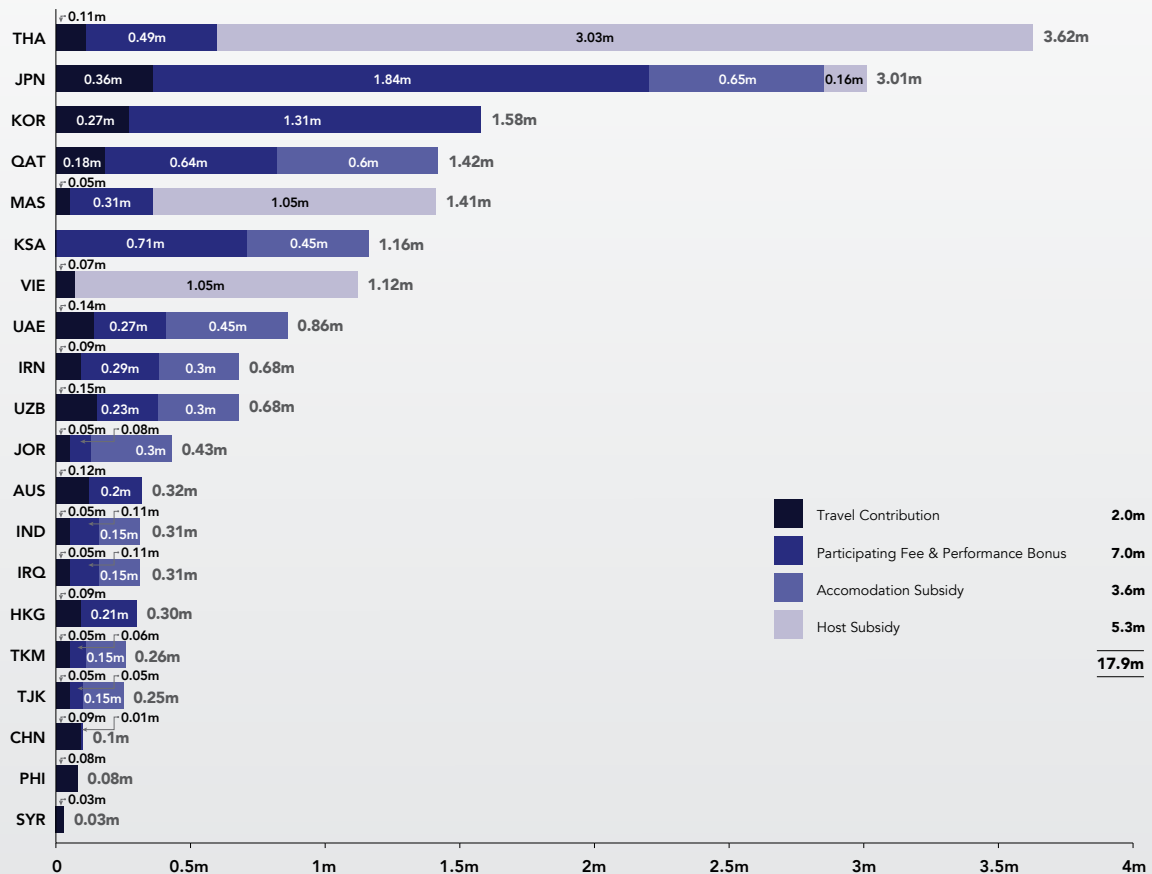
Total host, travel and accommodation subsidies including bonuses and participation fees invested in 2022 amounted to USD50.3m (2021: USD61.4m), including the subsidies to PMAs for the FIFA World Cup Qatar 2022 Asian Qualifiers Final Round of USD11.4m (2021: USD24m).

In respect of the AFC’s top tier club competitions, total subsidies and prize monies disbursed in 2022 amounted to USD27.4m (2021: USD38.1m) of which USD17.9m was invested in the AFC Champions League™ 2022, the AFC Champions League™ 2022 West and Knockout Stage and Final matches will be accounted for in 2023.

Despite the year-on-year decrease in total investment in 2022, the AFC successfully delivered an increased number of competitions along with substantial digital growth, demonstrating the Confederation’s commitment to engage with its global audience.



### ACL 2022 Payments to MAs and Clubs (USD Million)



\*Excluding ACL2022 West & Finals (Played in 2023)

# STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

The Statement of Financial Position showcases a healthy Total Assets position of USD269.3m, albeit with a decrease of USD55.7m from USD325m at the end of 2021.

Total Receivables decreased from USD142.1m to USD71.4m but Fixed Deposit (FD) balances increased from USD140.9m to USD169.5m, and cash and FD balances remain high at USD172.5m at the end of 2022.

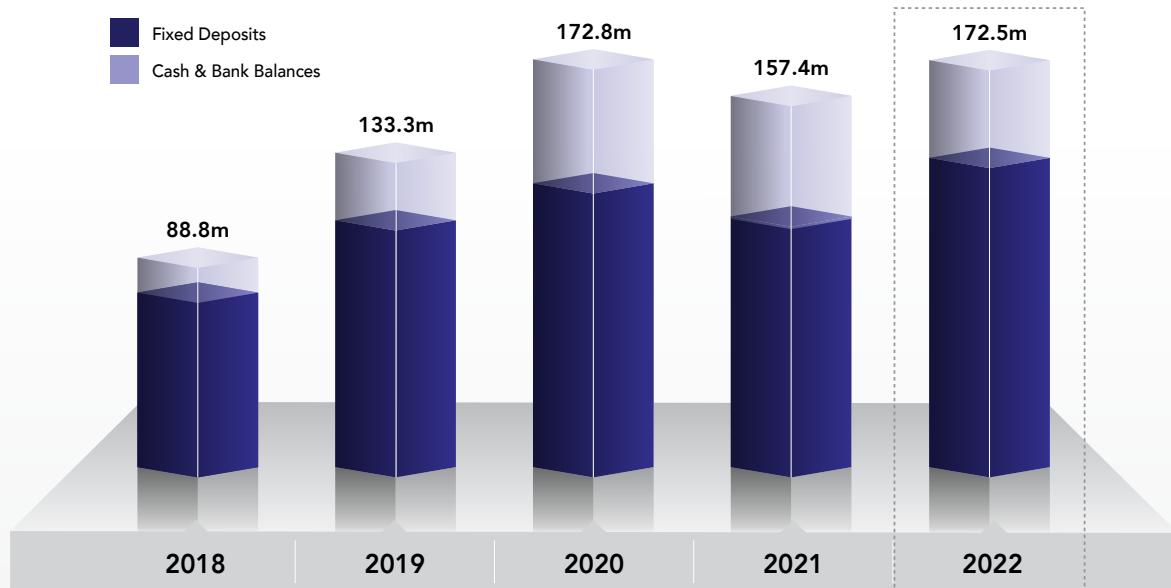
Accumulated Funds increased by USD12.2m from USD3.4m to USD15.6m due to the surplus in FY 2022, compared to a budget deficit of USD48.2m.

The total Deferred Income, which relates to advances received/receivable with regards to the sale of commercial rights scheduled to take place under the commercial cycle from 2021 to 2028 is at USD197.9m compared with USD252.8m at the end of 2021.

**Statement of Financial Position as at 31 December 2022**  
(USD Million)

	2021	2022		2021	2022
<b>Non Current Assets</b>	<b>USD</b> 25.5	<b>USD</b> 25.4	<b>Accumulated Fund</b>	<b>USD</b> 3.4	<b>USD</b> 15.6
Property, Plant & Equipment	18.7	18.6	<b>Non Current Liabilities</b>	144.9	141.9
Receivables	6.8	6.8	Deferred income	142.5	140.6
			Payables	0.4	0.3
			Amount due to FIFA	2.0	1.0
<b>Current Assets</b>	<b>299.5</b>	<b>243.9</b>	<b>Current Liabilities</b>	<b>176.7</b>	<b>111.8</b>
Receivables	142.1	71.4	Deferred income	110.3	57.3
Fixed deposits	140.9	169.5	Payables	64.7	53.4
Cash and bank balances	16.5	3.0	Amount due to FIFA	1.7	1.1
<b>ASSETS</b>	<b>325.0</b>	<b>269.3</b>	<b>ACCUMULATED FUND &amp; LIABILITIES</b>	<b>325.0</b>	<b>269.3</b>

**Cash and FD Balances as at 31 December 2022**  
 (USD Million)



**Accumulated Surplus as at 31 December 2022**  
 (USD Million)



# FINANCIAL OUTLOOK

The AFC navigated the headwinds of the pandemic with dedication, commitment, and innovative thinking to deliver its near-full roster of Competitions in 2022, while underlining its commitment to aiding developmental efforts in its MAs and RAs through the Enhanced funding programmes.

Thanks to prudent financial management and a strong emphasis on fiscal responsibility, the AFC managed to pragmatically face significant challenges to post a surplus for the year, which serves as a testament to the AFC's effective

financial management strategies and good governance.

Notwithstanding the changing commercial environment, the AFC will continue to explore innovative ways to broaden the commercial appeal of Asian football by embracing the latest in technological advances and growing its digital media footprint. The investment by the AFC in the development of MAs and RAs will accelerate and contribute to its Vision of nurturing football's growth in Asia.





EXTRAORDINARY  
CONGRESS  
OCTOBER 18<sup>TH</sup> 2023  
[WWW.AFCCONGRESS.COM](http://WWW.AFCCONGRESS.COM)

**FINANCIAL REPORT 2022**

AUDITED FINANCIAL STATEMENTS 2022

**1232-05-5**

**The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)**

### **Statement by the Finance Committee**

We, Datuk Haji Hamidin bin Haji Mohd Amin and Datuk Seri Windsor John, being Finance Committee Chairperson and General Secretary respectively, of The Asian Football Confederation, do hereby state that, in the opinion of the Finance Committee, the accompanying financial statements set out on pages 27 to 62 are drawn up in accordance with International Financial Reporting Standards and the requirements of the Societies Act, 1966 so as to give a true and fair view of the financial position of The Asian Football Confederation as at 31 December 2022 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Finance Committee.



Datuk Haji Hamidin bin Haji Mohd Amin  
Finance Committee Chairperson



Datuk Seri Windsor John  
General Secretary

Kuala Lumpur, Malaysia  
6 July 2023



Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
SST ID: W10-2002-32000062  
Chartered Accountants  
Level 23A Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur, Malaysia

Tel: +603 7495 8000  
Fax: +603 2095 5332 (General line)  
+603 2095 9076  
+603 2095 9078  
ey.com

1232-05-5

**Independent auditors' report to the Executive Committee  
and members of The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)**

Report on the audit of the financial statements

*Opinion*

We have audited the financial statements of The Asian Football Confederation, which comprise the statement of financial position as at 31 December 2022, and statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 27 to 62.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Confederation as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Societies Act, 1966 in Malaysia.

*Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence and other ethical responsibilities*

We are independent of the Confederation in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

*Responsibilities of the Finance Committee for the financial statements*

The Finance Committee of the Confederation is responsible for the preparation of financial statements of the Confederation that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Societies Act, 1966 in Malaysia. The Finance Committee is also responsible for such internal control as the Finance Committee determine is necessary to enable the preparation of financial statements of the Confederation that are free from material misstatement, whether due to fraud or error.



1232-05-5

**Independent auditors' report to the Executive Committee  
and members of The Asian Football Confederation (cont'd.)  
(Registered in Malaysia under the Societies Act, 1966)**

*Responsibilities of the Finance Committee for the financial statements (cont'd.)*

In preparing the financial statements of the Confederation, the Finance Committee is responsible for assessing the Confederation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Finance Committee and Executive Committee either intend to liquidate the Confederation or to cease operations, or have no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Confederation as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Confederation, 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 Confederation's internal control.





1232-05-5

**Independent auditors' report to the Executive Committee  
and members of The Asian Football Confederation (cont'd.)  
(Registered in Malaysia under the Societies Act, 1966)**

*Auditors' responsibilities for the audit of the financial statements (cont'd.)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Finance Committee.
- Conclude on the appropriateness of the Finance Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Confederation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Confederation 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 auditors' report. However, future events or conditions may cause the Confederation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Confederation, including the disclosures, and whether the financial statements of the Confederation represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on other legal and regulatory requirements**

In accordance with the requirements of the Societies Act 1966 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Confederation have been properly kept in accordance with the provisions of the Act.



1232-05-5

**Independent auditors' report to the Executive Committee  
and members of The Asian Football Confederation (cont'd.)  
(Registered in Malaysia under the Societies Act, 1966)**

#### **Other matters**

This report is made solely to the members of the Confederation, as a body, in accordance with Section 26 of the Society Act, 1966 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read 'Ernst &amp; Young PLT', is written over the printed name.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
6 July 2023

**1232-05-5**  
**The Asian Football Confederation**  
**(Registered in Malaysia under the Societies Act, 1966)**

**Statement of comprehensive income**  
**for the year ended 31 December 2022**

	Note	2022 USD	2021 USD
Revenue	3	160,228,613	171,881,198
Service fees/commission expenses		(33,860,231)	(50,669,106)
Host broadcast production cost		<u>(583,645)</u>	<u>(1,629,213)</u>
Net revenue		125,784,737	119,582,879
Other income	4	9,684,057	1,436,071
Competition expenses	5	(70,727,356)	(78,683,747)
Administration expenses	6	(29,974,099)	(33,179,266)
Member Association and Regional Association development, education and AFC Enhance Member Association and Regional Association programme	7	<u>(22,579,407)</u>	<u>(20,266,841)</u>
Surplus/(deficit) of income over expenditure before tax		12,187,932	(11,110,904)
Taxation	8	<u>-</u>	<u>-</u>
Surplus/(deficit) of income over expenditure after tax, representing total comprehensive surplus/(deficit) for the year		<u>12,187,932</u>	<u>(11,110,904)</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

### 1232-05-5

#### The Asian Football Confederation (Registered in Malaysia under the Societies Act, 1966)

#### Statement of financial position as at 31 December 2022

	Note	31.12.2022 USD	31.12.2021 USD
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	18,583,564	18,717,993
Receivables	10	6,848,216	6,848,216
		<u>25,431,780</u>	<u>25,566,209</u>
<b>Current assets</b>			
Receivables	10	71,449,377	142,019,125
Fixed deposits with licensed banks	11	169,498,111	140,933,000
Cash and bank balances	11	2,958,473	16,463,074
		<u>243,905,961</u>	<u>299,415,199</u>
<b>Total assets</b>		<u>269,337,741</u>	<u>324,981,408</u>
<b>Accumulated fund and liabilities</b>			
<b>Accumulated fund</b>			
Accumulated surplus		<u>15,583,160</u>	<u>3,395,228</u>
<b>Non-current liabilities</b>			
Deferred income	12	140,671,129	142,500,000
Payables	13	261,866	448,538
Amount due to FIFA	14	1,000,000	2,000,000
		<u>141,932,995</u>	<u>144,948,538</u>
<b>Current liabilities</b>			
Deferred income	12	57,298,642	110,317,220
Payables	13	53,428,245	64,645,078
Amount due to FIFA	14	1,094,699	1,675,344
		<u>111,821,586</u>	<u>176,637,642</u>
<b>Total liabilities</b>		<u>253,754,581</u>	<u>321,586,180</u>
<b>Total accumulated fund and liabilities</b>		<u>269,337,741</u>	<u>324,981,408</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

**1232-05-5**  
**The Asian Football Confederation**  
**(Registered in Malaysia under the Societies Act, 1966)**

**Statement of changes in accumulated fund  
 for the year ended 31 December 2022**

	<b>Accumulated surplus USD</b>
<b>As at 1 January 2021</b>	14,506,132
Total comprehensive deficit for the year	<u>(11,110,904)</u>
<b>As at 31 December 2021</b>	<u>3,395,228</u>
<b>As at 1 January 2022</b>	3,395,228
Total comprehensive surplus for the year	<u>12,187,932</u>
<b>As at 31 December 2022</b>	<u>15,583,160</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

1232-05-5

The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)

**Statement of cash flows  
for the year ended 31 December 2022**

	2022 USD	2021 USD
<b>Operating activities</b>		
Surplus/(deficit) of income over expenditure before tax	12,187,932	(11,110,904)
Non-cash adjustments to reconcile surplus/(deficit) of income over expenditure before tax to net cash flows:		
Depreciation of property, plant and equipment (Note 6)	945,461	1,021,572
Gain from disposal of property, plant and equipment	(36,407)	(1,386)
Net unrealised foreign exchange gain (Note 4)	(886,638)	(724,273)
Interest on fixed deposits	(3,036,593)	(515,539)
Bad debts written off	2,874,612	-
Reversal of expected credit losses	-	(399,700)
Operating surplus/(deficit) before working capital changes	<u>12,048,367</u>	<u>(11,730,230)</u>
Increase/(decrease) in receivables	67,695,136	(72,970,906)
(Increase)/decrease in payables	(11,219,199)	13,052,648
(Decrease)/increase in deferred income	<u>(54,847,449)</u>	<u>52,921,488</u>
<b>Net cash generated from/(used) in operating activities</b>	<u>13,676,855</u>	<u>(18,727,000)</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(813,537)	(748,501)
Interest received	2,271,642	395,112
Movement in fixed deposits placements with maturities more than 90 days	16,750,000	(14,000,000)
Proceeds from disposal of property, plant and equipment	38,912	1,386
<b>Net cash generated from/(used in) investing activities</b>	<u>18,247,017</u>	<u>(14,352,003)</u>
<b>Financing activities</b>		
Proceeds of loan from FIFA	-	4,000,000
Repayment of loan to FIFA	<u>(1,000,000)</u>	<u>(1,000,000)</u>
<b>Net cash (used in)/generated from financing activities</b>	<u>(1,000,000)</u>	<u>3,000,000</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	30,923,872	(30,079,003)
<b>Net foreign exchange differences</b>	886,638	724,273
<b>Cash and cash equivalents at beginning of year</b>	86,646,074	116,000,804
<b>Cash and cash equivalents at end of year</b>	<u>118,456,584</u>	<u>86,646,074</u>

**1232-05-5**  
**The Asian Football Confederation**  
**(Registered in Malaysia under the Societies Act, 1966)**

**Statement of cash flows (cont'd.)**  
**for the year ended 31 December 2022**

	Note	2022 USD	2021 USD
Cash and cash equivalents at end of the year comprise the following:			
Fixed deposits with licensed banks	11	169,498,111	140,933,000
Cash and bank balances	11	2,958,473	16,463,074
		<u>172,456,584</u>	<u>157,396,074</u>
Less: Fixed deposits with maturities more than 90 days	11	(54,000,000)	(70,750,000)
		<u>118,456,584</u>	<u>86,646,074</u>

Note:

(a) Changes in liabilities arising from financing activities:

	2022 USD	2021 USD
At beginning of the year	3,000,000	-
Proceeds of loan from FIFA	-	4,000,000
Repayment of loan to FIFA	(1,000,000)	(1,000,000)
At the end of the year	<u>2,000,000</u>	<u>3,000,000</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

**1232-05-5**

**The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)**

**Notes to the financial statements  
for the year ended 31 December 2022**

## **1. Confederation information**

The Asian Football Confederation ("the Confederation") is the governing body of Asian football. It is one of the six Confederations recognised by Federation Internationale de Football Association ("FIFA").

The Confederation is an international non-governmental, non-profit organisation in the form of an association registered pursuant to Section 7 of the Societies Act, 1966 of the Laws of Malaysia.

The Confederation consists of 47 Member Associations. The Confederation was formed in 1954.

The principal activity of the Confederation is to improve the game of football constantly and promote, regulate and control it in the territory of Asia. There has been no significant change in the nature of the principal activity during the financial year.

The principal place of business of the Confederation is located at AFC House, Jalan 1/155B, Bukit Jalil, 57000 Kuala Lumpur, Malaysia.

The financial statements of the Confederation were reviewed by the Audit and Compliance Committee, before it was authorised for issue in accordance with a resolution of the Finance Committee on 6 July 2023.

## **2. Significant accounting policies**

### **2.1 Basis of preparation**

#### **(a) Statement of compliance**

The financial statements of the Confederation have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the requirements of the Societies Act, 1966.

The Confederation adopts the indirect method for the presentation of statement of cash flows.

#### **(b) Basis of measurement**

The financial statements have been prepared on a historical cost basis, unless otherwise stated.



**1232-05-5**  
**The Asian Football Confederation**  
**(Registered in Malaysia under the Societies Act, 1966)**

**2. Significant accounting policies (cont'd.)**

**2.1 Basis of preparation (cont'd.)**

**(c) Functional and presentation currency**

The financial statements are presented in United States Dollar ("USD"), which is also the Confederation's functional currency.

**(d) Use of estimates and assumptions**

The preparation of financial statements in conformity with IFRS 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. Uncertainty about these assumptions and estimates could result in outcomes that requires a material adjustment to the carrying amount of assets or liabilities affected in future periods.

There were no critical judgements made by management in the process of applying accounting policies that have significant effect on the amount recognised in the financial statements during the current financial year.

**Key sources of estimation uncertainty**

There were no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**2.2 Changes in accounting policy and disclosures**

On 1 January 2022, the Confederation adopted the following new and amended IFRSs mandatory for annual financial periods beginning on or after 1 January 2022:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
<ul style="list-style-type: none"> <li>• Amendments to IFRS 1, IFRS 9 and IFRS 141 (Annual Improvements to MFRS 2018-2020 Cycle)</li> </ul>	1 January 2022
<ul style="list-style-type: none"> <li>• Amendments to IFRS 3 Business Combinations Reference to the Conceptual Framework )</li> </ul>	1 January 2022

1232-05-5

**The Asian Football Confederation**  
(Registered in Malaysia under the Societies Act, 1966)

## 2. Significant accounting policies (cont'd.)

### 2.2 Changes in accounting policy and disclosures (cont'd.)

Description	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> <li>• Amendments to IFRS 116 Property, Plant and Equipment (Property, Plant and Equipment - Proceeds before Intended Use)</li> </ul>	1 January 2022
<ul style="list-style-type: none"> <li>• Amendments to IFRS 137 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract)</li> </ul>	1 January 2022

The adoption of the above new and amended standards did not have any significant effect on the financial position of the Confederation.

### 2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Confederation's financial statements are disclosed below. The Confederation intends to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> <li>• IFRS 17 Insurance Contracts</li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>• Amendments to IFRS 17 Insurance Contracts (Initial Application of IFRS 17 and IFRS 9 - Comparative Information)</li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>• Amendments to IFRS 101 Presentation of Financial Statements and IFRS Practice Statement 2 (Disclosure of Accounting Policies)</li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>• Amendments to IFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)</li> </ul>	1 January 2023
<ul style="list-style-type: none"> <li>• Amendments to IFRS 112 Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)</li> </ul>	1 January 2023

**1232-05-5**

**The Asian Football Confederation  
 (Registered in Malaysia under the Societies Act, 1966)**

**2. Significant accounting policies (cont'd.)**

**2.3 Standards issued but not yet effective (cont'd.)**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
<ul style="list-style-type: none"> <li>• Amendments to IFRS 16 Leases (Lease Liability in a Sale and Leaseback)</li> </ul>	1 January 2024
<ul style="list-style-type: none"> <li>• Amendments to IFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)</li> </ul>	1 January 2024
<ul style="list-style-type: none"> <li>• Amendments to IFRS 10 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</li> </ul>	1 January 2024
<ul style="list-style-type: none"> <li>• Amendments to IFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</li> </ul>	To be announced

There are no other new or revised IFRSs and amendments to IFRSs that are not yet effective and that would be expected to have a material impact on the Confederation in the current or future reporting periods.

**2.4 Summary of significant accounting policies**

**(a) Property, plant and equipment and depreciation**

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

When significant parts of property, plant and equipment are required to be replaced at intervals, the Confederation depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

**1232-05-5****The Asian Football Confederation****(Registered in Malaysia under the Societies Act, 1966)****2. Significant accounting policies (cont'd.)****2.4 Summary of significant accounting policies (cont'd.)****(a) Property, plant and equipment and depreciation (cont'd.)**

Freehold land has unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The principal annual depreciation rates are as follows:

Long term leasehold land	1% - 3.33%
Building	2%
Renovations	20%
Furniture and fittings	20%
Office and sports equipment	20%
Motor vehicles	20%
Computer equipment	33%
Football turf	12.5%

Capital work in progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

**1232-05-5**

**The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)**

## **2. Significant accounting policies (cont'd.)**

### **2.4 Summary of significant accounting policies (cont'd.)**

#### **(b) Impairment of non-financial assets**

The Confederation assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Confederation makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

An asset's recoverable amount is the higher of the asset's or CGU's fair value less costs to sell and its value in use. 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognised in the statement of comprehensive income in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such a reversal is recognised in the statement of comprehensive income.

#### **(c) Financial assets**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

1232-05-5

The Asian Football Confederation

(Registered in Malaysia under the Societies Act, 1966)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (c) Financial assets (cont'd.)

##### Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Confederation's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Confederation initially measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of business model.

The Confederation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Confederation commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

**1232-05-5**

**The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)**

**2. Significant accounting policies (cont'd.)**

**2.4 Summary of significant accounting policies (cont'd.)**

**(c) Financial assets (cont'd.)**

Subsequent measurement (cont'd.)

**Financial assets at amortised cost**

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in statement of comprehensive income when the asset is derecognised, modified or impaired.

The Confederation's financial assets at amortised cost include fixed deposits with licensed banks, cash and bank balances and receivables (excluding prepayments).

**Financial assets at FVOCI (debt instruments), financial assets at FVOCI (equity instruments) and FVTPL**

The Confederation did not have or designate any financial assets at FVOCI (debt instruments), financial assets at FVOCI (equity instruments) and FVTPL during the year ended 31 December 2022.

Derecognition

A financial asset is derecognised when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Confederation has transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - i. The Confederation has transferred substantially all the risks and rewards of the asset, or
  - ii. The Confederation has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

1232-05-5

**The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)**

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (c) Financial assets (cont'd.)

##### Derecognition (cont'd.)

When the Confederation has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, they evaluate if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Confederation continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Confederation also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Confederation has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Confederation could be required to repay.

#### (d) Impairment of financial assets

The Confederation recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the Confederation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Confederation applies a simplified approach in calculating expected credit losses ("ECLs") and uses a provision matrix to calculate the ECLs for trade and other receivables, and contract assets. Therefore, the Confederation does not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Confederation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



**1232-05-5**

**The Asian Football Confederation  
 (Registered in Malaysia under the Societies Act, 1966)**

**2. Significant accounting policies (cont'd.)**

**2.4 Summary of significant accounting policies (cont'd.)**

**(d) Impairment of financial assets (cont'd.)**

The Confederation assesses if a financial asset is in default when contractual payment are 90 days past due. However, in certain cases, the Confederation may also consider a financial asset to be in default when internal or external information indicates that the Confederation are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Confederation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. For deposits with financial institutions, ECL is measured based on historical observed loss rates on placements made with the counter parties.

**(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand and deposits with licensed banks with maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**(f) Financial liabilities**

Initial recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

All financial liabilities of the Confederation are subsequently measured at amortised cost using the effective interest method. Liabilities are classified as current liabilities unless the Confederation has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

1232-05-5

The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (f) Financial liabilities (cont'd.)

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### (g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

#### (h) Provisions

Provisions are recognised when the Confederation has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. When the Confederation expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income, net of any reimbursement.

#### (i) Revenue recognition

##### **Revenue from contract with customers**

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Confederation expects to be entitled in exchange for those goods or services. The Confederation has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

**1232-05-5**

**The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)**

## **2. Significant accounting policies (cont'd.)**

### **2.4 Summary of significant accounting policies (cont'd.)**

#### **(i) Revenue recognition (cont'd.)**

##### **Revenue from contract with customers (cont'd.)**

The Confederation considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., non-cash consideration and consideration payable to the customer, if any). Depending on the terms of the contract, revenue is recognised when performance obligation is satisfied, which may be at the point in time or over time.

If the consideration in a contract includes a variable amount, the Confederation estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Confederation's revenue from contracts with customers are further described below:

#### **(i) Sale of Commercial Rights**

Revenue from the sale of Commercial Rights (including media and sponsorship rights) from customers is recognised as described below. The Confederation has appointed Football Marketing Asia Limited ("FMA") as its sole and exclusive representative for the sale of commercial rights (excluding Middle East and North Africa ("MENA") and Japan regions), for period from 2021 to 2028.

##### Broadcasting rights

Television broadcasting rights are granted primarily to television stations and other broadcasting institutions. These rights are granted to broadcast the television signal for a defined period in a particular territory. The performance obligation is defined as the right to access intellectual property. Revenue relating to television broadcasting rights is recognised over the contractual rights period.

**1232-05-5**

**The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)**

## **2. Significant accounting policies (cont'd.)**

### **2.4 Summary of significant accounting policies (cont'd.)**

#### **(i) Revenue recognition (cont'd.)**

##### **Revenue from contract with customers (cont'd.)**

##### **(i) Sale of Commercial Rights (cont'd.)**

###### Sponsorship rights

Sponsorship rights provide individual sponsors with access to intellectual property by enabling them to enter into a long-term strategic alliance with the Confederation which also include a set of predefined rights. The performance obligations under sponsorship rights includes an intangible right. The intangible right is attributed to the promise to benefit from a strategic association with the Confederation, its competitions and brand, resulting in a straight-line recognition of revenue over the contractual rights period.

###### Licensing rights

Licensing rights are granted to licensees of the Confederation for its competitions and to obtain the right to use the Confederation's marks and brand elements as a platform to brand its related products and services. As the licensee has access to intellectual property, the amount of revenue is recognised over the contractual rights period.

The credit term is generally on 30 to 90 days.

##### **Grants receivable from FIFA**

Revenue from development and other grants receivable from FIFA is recognised on an accrual basis when the right to receive the grant is established.

##### **Interest income**

Interest income is recognised on accrual basis using effective interest method.

**1232-05-5**  
**The Asian Football Confederation**  
**(Registered in Malaysia under the Societies Act, 1966)**

**2. Significant accounting policies (cont'd.)**

**2.4 Summary of significant accounting policies (cont'd.)**

**(j) Contract balances**

**(i) Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Confederation performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The contract asset recognised by the Confederation relates to unbilled receivables.

**(ii) Trade receivables**

A receivable is recognised if an amount of consideration that is unconditional is due from the customer. Refer to accounting policies of financial assets in Note 2.4(c).

**(iii) Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Confederation transfers the related services. Contract liabilities are recognised as revenue when the Confederation performs under the contract (i.e., transfers control of the related services to the customer). Contract liabilities recognised by the Confederation relates to deferred income.

**(k) Employee benefits**

**(i) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Confederation. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**(ii) Defined contribution plan**

As required by law, the Confederation makes contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the statement of comprehensive income as incurred.

1232-05-5

The Asian Football Confederation

(Registered in Malaysia under the Societies Act, 1966)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (k) Employee benefits (cont'd.)

##### (iii) Defined benefit plan

The Confederation operates a gratuity scheme for eligible employees who joined the Confederation prior to year 2005 under the Gratuity Plan. The Confederation provides for unfunded gratuity to eligible employees that are under permanent employment and confirmed in service. The Confederation sets aside provisions for gratuity based on the basic monthly salary of each eligible employee at the end of each financial year of service over the employees' period of employment.

#### (l) Foreign currencies

##### Transactions and balances

In preparing the financial statements of the Confederation, transactions in currencies other than the Confederation's functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing at the end of the reporting period. Non-monetary items denominated in foreign currencies, that are measured in terms of historical cost are translated using the exchange rates at the dates of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement or translation of monetary items, are recognised in the statement of comprehensive income for the year.

The principal exchange rates used for each respective unit of foreign currency ruling at the reporting date are as follows:

	2022 USD	2021 USD
Ringgit Malaysia ("RM")	0.2191	0.2380
British Pound ("GBP")	1.1972	1.3302
Singapore Dollar ("SGD")	0.7293	0.7323
Swiss Franc ("CHF")	1.0489	1.0879
Euro Dollar ("EUR")	1.0365	1.1334
Australian Dollar ("AUD")	0.6698	0.7132
Bahraini Dinar ("BHD")	2.6356	2.6365

**1232-05-5**

**The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)**

## **2. Significant accounting policies (cont'd.)**

### **2.4 Summary of significant accounting policies (cont'd.)**

#### **(m) Fair value measurement**

The Confederation measures financial instruments at fair value at each reporting date. Fair values of financial instruments measured at amortised cost are disclosed in Note 17.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Confederation.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Confederation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**1232-05-5****The Asian Football Confederation****(Registered in Malaysia under the Societies Act, 1966)****2. Significant accounting policies (cont'd.)****2.4 Summary of significant accounting policies (cont'd.)****(m) Fair value measurement (cont'd.)**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- |         |   |   |
|---------|---|---|
| Level 1 | - | Quoted (unadjusted) market prices in active markets for identical assets or liabilities.  |
| Level 2 | - | Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. |
| Level 3 | - | Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.                      |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Confederation determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Confederation has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**(n) Leases**

The Confederation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

**(i) Short-term leases and leases of low-value assets**

The Confederation applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Confederation also applies the lease of low-value assets recognition exemption to leases of office and computer equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



**1232-05-5**  
**The Asian Football Confederation**  
**(Registered in Malaysia under the Societies Act, 1966)**

**3. Revenue**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Types of revenue</b>		
Broadcasting rights	113,801,107	122,403,478
Sponsorship fees	34,091,670	37,425,000
License fees	312,336	1,333
FIFA Development Programme	12,000,000	12,000,000
Levies	-	27,887
Subscriptions	23,500	23,500
	<u>160,228,613</u>	<u>171,881,198</u>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	-	27,887
Services transferred over time	160,228,613	171,853,311
	<u>160,228,613</u>	<u>171,881,198</u>

**4. Other income**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Fines	691,087	164,588
Interest on fixed deposits	3,036,593	515,539
Unrealised foreign exchange gain	886,638	724,273
Development and educational donation	5,000,000	-
Others	69,739	31,671
	<u>9,684,057</u>	<u>1,436,071</u>

1232-05-5

The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)

### 5. Competition expenses

	2022 USD	2021 USD
AFC Champions League	20,760,311	33,902,707
AFC Cup	11,307,278	8,955,072
AFC Asian Cup	-	473,643
AFC Asian Cup - Qualifiers Final Round	2,982,272	-
AFC U23 Asian Cup	4,358,204	5,182,728
AFC U20 Asian Cup/U19 Championship	4,151,357	(57,272)
AFC U17 Asian Cup/U16 Championship	4,028,491	(20,997)
AFC Futsal Asian Cup	2,376,067	72,653
AFC Futsal Club Championship	2,100	-
FIFA World Cup - Final	11,455,881	24,000,000
FIFA World Cup Asian Qualifying Round	1,015,110	1,484,121
AFC Women's Asian Cup	7,710,545	4,079,226
AFC Women's Club Championship	579,740	657,864
AFC U20 Women's Asian Cup/ U19 Women's Championship	-	(46,488)
AFC U17 Women's Asian Cup/ U16 Women's Championship	-	490
	<u>70,727,356</u>	<u>78,683,747</u>

### 6. Administration expenses

	2022 USD	2021 USD
Salaries and benefits	14,400,597	14,239,753
Members allowance and expenses	3,478,261	3,033,769
Travelling and subsistence	3,905,108	3,166,494
Audit fees	35,400	40,866
Legal and professional fees	552,996	587,097
Promotional expenses	87,261	91,274
Supplies and utilities	254,758	227,674
Building maintenance	631,265	438,495
Depreciation of property, plant and equipment	945,461	1,021,572
Special projects	1,655,225	2,166,438
Inventory apparels	-	356,871
Realised foreign exchange loss	252,037	114,503
Reversal of expected credit losses	-	(399,700)
Agency fees	-	6,705,000
Bad debt written off	2,874,612	-
Other administration expenses	901,118	1,389,160
	<u>29,974,099</u>	<u>33,179,266</u>

**1232-05-5**

**The Asian Football Confederation**

**(Registered in Malaysia under the Societies Act, 1966)**

**7. Member Association and Regional Association development, education and AFC Enhance Member Association and Regional Association programme**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
AFC Enhance Member Association and Regional Association/Financial Assistance Programme	19,294,595	17,974,550
Referees	875,821	700,897
Coaches	(78)	31,245
Competition Support Services/Research and Creative Member Association and Regional Association development	188,159	224,484
Grassroot football development	1,490,111	793,176
Sports Medicine	75,038	33,916
Futsal development	44,443	31,302
Women football development	28,860	1,888
President's Initiatives	56,603	39,156
Integrity	(1,500)	(66,509)
Stadium and security	443,428	438,534
	<u>83,927</u>	<u>64,202</u>
	<u>22,579,407</u>	<u>20,266,841</u>

**8. Taxation**

The Confederation is exempted from taxation in Malaysia (its principal place of business) in accordance with the Income Tax (Exemption) (No.58) Order 1992.

1232-05-5  
The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)

### 9. Property, plant and equipment

Cost:	Freehold land		Long term leasehold land		Building	Furniture and fittings	Office and sports equipment	Computer equipment	Motor vehicles	Renovations	Football turf	Capital work in progress	Total
	USD	USD	USD	USD									
At 1 January 2021	2,109,356	26,316	17,999,502	1,447,653	2,644,331	2,094,649	105,548	812,076	263,661	-	27,503,092	-	27,503,092
Additions	-	-	2,042	8,316	10,754	67,332	-	30,342	-	-	-	629,715	748,501
Disposal	-	-	(9,210)	-	-	-	-	-	-	-	-	-	(9,210)
Reclassification	-	-	514,282	-	-	-	-	-	-	-	-	(514,282)	-
At 31 December 2021	2,109,356	26,316	18,506,616	1,455,969	2,655,085	2,161,981	105,548	842,418	263,661	115,433	28,242,383	115,433	28,242,383
Additions	-	224,795	84,068	6,542	67,412	55,424	-	-	-	-	-	375,296	813,537
Disposal	-	(135)	(7,546)	(5,522)	(7,586)	(1,060)	-	-	-	-	-	-	(21,849)
Transfer	-	-	272,538	-	-	-	-	-	-	-	-	(272,538)	-
At 31 December 2022	2,109,356	250,976	18,855,676	1,456,989	2,714,911	2,216,345	105,548	842,418	263,661	218,191	29,034,071	218,191	29,034,071

1232-05-5  
The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)

9. Property, plant and equipment (cont'd.)

	Freehold land USD	Long term leasehold land USD	Building USD	Furniture and fittings USD	Office and sports equipment USD	Computer equipment USD	Motor vehicles USD	Renovations USD	Football turf USD	Capital work in Progress USD	Total USD
<b>Depreciation:</b>											
At 1 January 2021	-	6,889	2,544,817	1,377,070	1,905,867	1,936,090	31,664	609,568	100,063	-	8,512,028
Charge for the year	-	285	439,530	24,533	321,482	103,667	21,110	78,007	32,958	-	1,021,572
Disposal	-	-	(9,210)	-	-	-	-	-	-	-	(9,210)
At 31 December 2021	-	7,174	2,975,137	1,401,603	2,227,349	2,039,757	52,774	687,575	133,021	-	9,524,390
Charge for the year	-	3,460	411,190	24,362	299,086	81,264	21,110	72,031	32,958	-	945,461
Disposal	-	(37)	(6,251)	(5,502)	(6,907)	(647)	-	-	-	-	(19,344)
At 31 December 2022	-	10,597	3,380,076	1,420,463	2,519,528	2,120,374	73,884	759,606	165,979	-	10,450,507
<b>Net book value:</b>											
At 31 December 2022	2,109,356	240,379	15,475,600	36,526	195,383	95,971	31,664	82,812	97,682	218,191	18,583,564
At 31 December 2021	2,109,356	19,142	15,531,479	54,366	427,736	122,224	52,774	154,843	130,640	115,433	18,717,993

1232-05-5

The Asian Football Confederation

(Registered in Malaysia under the Societies Act, 1966)

### 10. Receivables

	2022 USD	2021 USD
<b>Non-current</b>		
Trade receivables	7,594,610	7,594,610
Less: Allowance for expected credit losses	(746,394)	(746,394)
Trade receivables, net	<u>6,848,216</u>	<u>6,848,216</u>
<b>Current</b>		
Trade receivables	53,857,292	120,092,628
Less: Allowance for expected credit losses	(2,852,969)	(2,852,969)
Trade receivables, net	<u>51,004,323</u>	<u>117,239,659</u>
<b>Contract assets</b>		
Unbilled trade receivables	6,961,153	21,605,167
Other receivables and deposits	1,779,238	851,441
Receivable from a commercial partner	7,371,931	-
Prepayments	4,332,732	2,322,858
Total current trade and other receivables	<u>71,449,377</u>	<u>142,019,125</u>
Total trade and other receivables	78,297,593	148,867,341
Less: Prepayments	(4,332,732)	(2,322,858)
Less: Unbilled trade receivables	(6,961,153)	(21,605,167)
Add: Cash, deposits and bank balances (Note 11)	<u>172,456,584</u>	<u>157,396,074</u>
<b>Financial assets carried at amortised cost</b>	<u>239,460,292</u>	<u>282,335,390</u>

Receivables are non-interest bearing and are generally on 30 to 90 days (2021: 30 to 90 days) terms.

Non-current trade receivable represents trade receivable from a customer located in a sanctioned country.

**1232-05-5**  
**The Asian Football Confederation**  
**(Registered in Malaysia under the Societies Act, 1966)**

**10. Receivables (cont'd.)**

Ageing analysis of trade receivables

The ageing analysis of the Confederation's trade receivables is as follows:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Neither past due nor impaired	29,738,750	55,803,934
1 to 30 days past due not impaired	970,237	258,561
31 to 60 days past due not impaired	5,219	22,262,707
61 to 90 days past due not impaired	443,000	1,300,000
More than 90 days past due not impaired	26,695,333	44,462,673
	<u>57,852,539</u>	<u>124,087,875</u>
Impaired	3,599,363	3,599,363
	<u>61,451,902</u>	<u>127,687,238</u>

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Confederation. None of these unsecured debts that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Confederation has trade receivables amounting to USD28,113,789 (2021: USD68,283,941) that are past due at the end of the reporting period but not impaired. The management is of the view that these unsecured debts are recoverable based on past payment history.

Movement in allowance account:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
At 1 January	3,599,363	3,999,063
Reversal for the year (Note 6)	-	(399,700)
At 31 December	<u>3,599,363</u>	<u>3,599,363</u>

Trade receivables are individually determined to be impaired at the reporting date and relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

### 1232-05-5

The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)

#### 11. Fixed deposits with licensed banks and cash and bank balances

	2022 USD	2021 USD
Fixed deposits with licensed banks in Malaysia:		
- in United States Dollar accounts	169,498,111	140,933,000
Cash and bank balances	2,958,473	16,463,074
	<u>172,456,584</u>	<u>157,396,074</u>
Less: Fixed deposits with maturities more than 90 days	(54,000,000)	(70,750,000)
Total cash and cash equivalents	<u>118,456,584</u>	<u>86,646,074</u>

Included in cash and bank balances is money held in trust of USD1,114,157 (2021: USD1,136,527) for the AFC Dream Asia Foundation.

The range of interest rates effective during the year and average maturities of deposits as at the end of the financial year were as follows:

	USD	
	2022	2021
Interest rates (% per annum)	0.06% - 5.15%	0.05% - 1.85%
Maturity (days)	<u>1 - 150 days</u>	<u>1 - 125 days</u>

#### 12. Deferred income

	2022 USD	2021 USD
<b>Non-current</b>		
Sign-on fee received from commercial partner	136,250,000	142,500,000
Deferred income - sale of commercial rights	4,421,129	-
	<u>140,671,129</u>	<u>142,500,000</u>
<b>Current</b>		
Sign-on fee received from commercial partner	6,250,000	6,250,000
Deferred income - sale of commercial rights	51,048,642	104,067,220
	<u>57,298,642</u>	<u>110,317,220</u>
	<u>197,969,771</u>	<u>252,817,220</u>

Deferred income relates to advances received from customers with regard to the sale of commercial rights in relation to broadcasting, sponsorships and licenses during the period from year 2021 to 2028 (inclusive).



**1232-05-5**  
**The Asian Football Confederation**  
**(Registered in Malaysia under the Societies Act, 1966)**

**13. Payables**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Non-current</b>		
Provision for gratuity	<u>261,866</u>	<u>448,538</u>
<b>Current</b>		
Other payables		
- AFC Dream Asia Foundation	1,114,157	1,136,527
- Others	26,484,637	27,086,200
Accruals		
- Tournaments	2,588,303	5,069,271
- Service fee payable	3,537,310	18,300,286
- Accrued commission	-	7,073,000
- AFC Enhance Member Association/ Financial Assistance Programme	10,126,457	1,048,085
- Others	<u>9,577,381</u>	<u>4,931,709</u>
	<u>53,428,245</u>	<u>64,645,078</u>
Total payables	53,690,111	65,093,616
Add: Amount due to FIFA (Note 14)	2,094,699	3,675,344
Less: Provision for gratuity	(261,866)	(448,538)
<b>Total financial liabilities carried at amortised cost</b>	<u>55,522,944</u>	<u>68,320,422</u>

Included in other payables is amount due to Members' Association amounting to USD431,751 (2021: USD2,147,705) and amount due to Regional Federations amounting to USD11,888,265 (2021: USD11,360,881).

The accruals for the AFC Enhance Member Association Programme are mainly entitlements due to eligible Members' Association for infrastructure project funding to be utilised by 31 December 2024.

**14. Amount due to FIFA**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Non-current</b>		
Loan from FIFA	<u>1,000,000</u>	<u>2,000,000</u>
<b>Current</b>		
Loan from FIFA	1,000,000	1,000,000
Amount due to FIFA	94,699	675,344
	<u>1,094,699</u>	<u>1,675,344</u>

1232-05-5

**The Asian Football Confederation**  
(Registered in Malaysia under the Societies Act, 1966)

### 14. Amount due to FIFA (cont'd.)

The loan from FIFA is unsecured, interest free and repayable within 2 (2021: 3) years ending in 2024.

The current amount due to FIFA is unsecured, interest free and has no fixed terms of repayment.

### 15. Financial risk management

#### (a) Financial risk management objectives and policies

The Confederation is exposed to foreign currency risk and credit risk arising from its operations. The Confederation's financial risk management objectives and policies seek to ensure that adequate financial resources are available for the development of the Confederation's business whilst managing the above-mentioned risks. The Confederation's overall risk management approach is to minimise the effect of such volatility on its financial performance and it is the Confederation's policy not to engage in speculative transactions.

There has been no change in the nature of the risks which the Confederation is exposed to, nor the objectives, policies and processes to manage those risks compared to the previous year.

#### (b) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Confederation is exposed to transactional currency risk primarily through receipts and expenditure that are denominated in a currency of the operations to which they relate. The currencies giving rise to this risk are primarily Ringgit Malaysia ("RM"), Euro Dollar ("EUR") and Swiss Franc ("CHF"). Foreign exchange exposures in transactional currencies other than the functional currency of the Confederation are kept to an acceptable level.

The net unhedged financial assets and financial liabilities of the Confederation that are not denominated in United States Dollar are as follows:

	Ringgit Malaysia USD	Euro USD	Swiss Franc USD	Total USD
<b>At 31 December 2022</b>				
Cash and bank balances	992,121	284,264	8,813	1,285,198
Trade receivables	2,127	5,219	-	7,346
Payables	(640,399)	(7,098,027)	(29,501)	(7,767,927)
Amount owing to FIFA	-	-	(3,051)	(3,051)
Total net financial liabilities	<u>353,849</u>	<u>(6,808,544)</u>	<u>(23,739)</u>	<u>(6,478,434)</u>

**1232-05-5**

**The Asian Football Confederation  
(Registered in Malaysia under the Societies Act, 1966)**

**15. Financial risk management (cont'd.)**

**(b) Foreign currency risk (cont'd.)**

	Ringgit Malaysia USD	Euro USD	Swiss Franc USD	Total USD
<b>At 31 December 2021</b>				
Cash and bank balances	704,157	137,680	2,953	844,790
Payables	(751,835)	(5,891,207)	(4,569)	(6,647,611)
Amount owing to FIFA	-	-	(12,879)	(12,879)
<b>Total net financial liabilities</b>	<u>(47,678)</u>	<u>(5,753,527)</u>	<u>(14,495)</u>	<u>(5,815,700)</u>

The following table demonstrates the sensitivity of the Confederation's surplus of income over expenditure before tax (due to the changes in the fair value of monetary assets and liabilities) to a reasonably possible change in the RM, EUR and CHF exchange rates against the USD, with all other variables held constant. The Confederation's exposure to foreign currency changes for all other currencies is not material.

		<b>Effect on deficit or surplus Increase/(decrease)</b>	
		<b>2022 USD</b>	<b>2021 USD</b>
RM/USD	- strengthened 8% (2021: 3%)	28,308	(1,430)
	- weakened 8% (2021: 3%)	<u>(28,308)</u>	<u>1,430</u>
EUR/USD	- strengthened 9% (2021: 5%)	(612,769)	(287,676)
	- weakened 9% (2021: 5%)	<u>612,769</u>	<u>287,676</u>
CHF/USD	- strengthened 4% (2021: 1%)	(950)	(145)
	- weakened 4% (2021: 1%)	<u>950</u>	<u>145</u>

### 1232-05-5

#### The Asian Football Confederation

(Registered in Malaysia under the Societies Act, 1966)

## 15. Financial risk management (cont'd.)

### (c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Confederation is exposed to credit risk primarily on trade and other receivables. The Confederation manages its exposure to its credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including deposits, cash and bank balances), the Confederation minimises credit risk by dealing exclusively with reputable financial institutions or companies with high credit ratings and no history of default.

As at the end of the reporting period, the Confederation has high concentration risk with respect to 4 trade receivables (2021: 10 trade receivable) which accounted for 78.8% (2021: 87.4%) of the total trade receivables outstanding as at the reporting date.

Information regarding financial assets that neither past due nor impaired is disclosed in Note 10.

### (d) Liquidity risk

Liquidity risk is the risk that the Confederation will encounter difficulty in meeting financial obligations due to shortage of funds. The Confederation actively manages its cash flows and the availability of funding so as to ensure that all expenditure and funding needs are met.

#### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Confederation's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year USD	Within two years USD	Total USD
<b>2022</b>			
Other payables	27,598,794	-	27,598,794
Accruals			
- Tournaments	2,588,303	-	2,588,303
- Service fee payable	3,537,310	-	3,537,310
- Others	10,126,457	-	10,126,457
Amount due to FIFA	1,094,699	1,000,000	2,094,699
Total undiscounted financial liabilities	44,945,563	1,000,000	45,945,563

**1232-05-5**  
**The Asian Football Confederation**  
**(Registered in Malaysia under the Societies Act, 1966)**

**15. Financial risk management (cont'd.)**

**(d) Liquidity risk (cont'd.)**

**Analysis of financial instruments by remaining contractual maturities (cont'd.)**

	On demand or within one year USD	Within two to three years USD	Total USD
<b>2021</b>			
Other payables	28,222,727	-	28,222,727
Accruals			
- Tournaments	5,069,271	-	5,069,271
- Service fee payable	18,300,286	-	18,300,286
- Accrued commission	7,073,000	-	7,073,000
- Others	5,979,794	-	5,979,794
Amount due to FIFA	1,675,344	2,000,000	3,675,344
Total undiscounted financial liabilities	<u>66,320,422</u>	<u>2,000,000</u>	<u>68,320,422</u>

**16. Related party disclosures**

Other than stated elsewhere in the financial statements, other related party is in relation to the compensation of Executive Committee Members of the Confederation:

	2022 USD	2021 USD
Executive Committee Members Allowances	<u>2,052,601</u>	<u>2,003,295</u>

The amounts disclosed above have been recognised as an expense during the reporting period.

The Executive Committee members do not receive pension entitlements from the Confederation.

**17. Fair value**

The Confederation assessed that receivables, short-term deposits, cash and bank balances, payables and amount due to FIFA approximate their carrying amounts largely due to the short-term maturities of these instruments.

The carrying amount of the Confederation's long-term amount due to FIFA is reasonable approximation of fair value due to the insignificant impact of discounting.

**1232-05-5**  
**The Asian Football Confederation**  
**(Registered in Malaysia under the Societies Act, 1966)**

### 18. Contract balances

	2022 USD	2021 USD
Contract assets - unbilled revenue	6,961,153	21,605,167
Contract liabilities - deferred income	<u>197,969,771</u>	<u>252,817,220</u>

Contract assets are initially recognised as unbilled revenue and will be reclassified to trade receivables upon invoice issued based on billing schedule as stipulated in the contract. Contract liabilities represent amounts received in advance for performance obligations that are yet to be satisfied.

The remaining performance obligations (unsatisfied or partially satisfied) as at 31 December 2022 are as follows:

	2022 USD	2021 USD
Within one year	175,075,301	166,862,190
More than one year	<u>212,270,664</u>	<u>419,914,399</u>
	<u>387,345,965</u>	<u>586,776,589</u>

The amount of revenue recognised from the amounts included in contract liabilities at the beginning of the year is USD126,136,739 (2021: USD44,895,732).

### 19. Capital management

The primary objective of the Confederation's capital management is to ensure that it maintains a strong and healthy cash position in order to manage and run football activities in Asia.

To maintain or adjust the capital structure, the Confederation earns revenue from sale of Commercial Rights under an agency agreement with FMA and additional grants from FIFA for its annual football activities. No changes were made to the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2022.





**Asian Football Confederation**


AFC House, Jalan 1/155B, Bukit Jalil, 57000 Kuala Lumpur, Malaysia

Tel : +603 8994 3388 | Fax : +603 8994 2689

**the-AFC.com**

 @theafcdotcom

 @theafcdotcom

 @theafchub

 /theafcdotcom

 @theafcdotcom