

REGISTERED NUMBER: R000263 (Northern Ireland)

Audited Financial Statements for the Year Ended 31 January 2020

for

Glentoran Recreation Company Limited

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for the year ended 31 January 2020**

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Glentoran Recreation Company Limited

**Company Information
for the year ended 31 January 2020**

DIRECTORS:

Mr S Henderson
Mr G Jenkins
Mr M W Glenfield
Mr M J McDermott
Mr P Millar
Mr A S M Pour

SECRETARY:

Mr G D Davidson

REGISTERED OFFICE:

The Oval
Parkgate Drive
Belfast
Co Antrim
BT4 1EW

REGISTERED NUMBER:

R0000263 (Northern Ireland)

SENIOR STATUTORY AUDITOR: Mr John Magee FCA

INDEPENDENT AUDITORS :

Aubrey Campbell & Co
631 Lisburn Road
Belfast
BT9 7GT

Glentoran Recreation Company Limited (Registered number: R0000263)

**Balance Sheet
31 January 2020**

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Intangible assets	5		67,433		-
Tangible assets	6		2,920,883		1,516,933
			<u>2,988,316</u>		<u>1,516,933</u>
CURRENT ASSETS					
Debtors	7	391,673		260,719	
Cash at bank and in hand		89,866		41,628	
			<u>481,539</u>		<u>302,347</u>
CREDITORS					
Amounts falling due within one year	8	334,640		384,699	
NET CURRENT ASSETS/(LIABILITIES)			<u>146,899</u>		<u>(82,352)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,135,215		1,434,581
CREDITORS					
Amounts falling due after more than one year	9		(5,530)		(506,911)
PROVISIONS FOR LIABILITIES			(252,928)		-
ACCRUALS AND DEFERRED INCOME			(32,884)		(31,744)
NET ASSETS			<u>2,843,873</u>		<u>895,926</u>
CAPITAL AND RESERVES					
Called up share capital			41,980		6,297
Share premium			1,347,330		259,683
Revaluation reserve	11		1,078,271		-
Retained earnings			376,292		629,946
SHAREHOLDERS' FUNDS			<u>2,843,873</u>		<u>895,926</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

.....
Mr S Henderson - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 January 2020**

1. **STATUTORY INFORMATION**

Glentoran Recreation Company Limited is a private company, limited by shares, registered in Northern Ireland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based upon historical experience and other factors that are considered to be relevant.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful Economic Life of Assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the useful economic lives and residual values of assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based upon technological advancement, future investments, economic utilisation and the physical condition of the assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible fixed assets

Transfer fees are amortised on a straight line basis over the length of the players contract.

Notes to the Financial Statements - continued
for the year ended 31 January 2020

3. **ACCOUNTING POLICIES - continued**

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Land and buildings - not provided
Plant and machinery - 7.5% - 25% on reducing balance
Fixtures and fittings - 20% on reducing balance
Flood lighting - 20% on reducing balance

Financial instruments

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' and section 12 'Other Financial Instrument Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Derivatives, including forward exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss in finance costs or finance income as appropriate.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for impairment at each reporting date.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Notes to the Financial Statements - continued
for the year ended 31 January 2020

3. **ACCOUNTING POLICIES - continued**

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some of the risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans and overdrafts, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
for the year ended 31 January 2020

3. **ACCOUNTING POLICIES - continued**

Dividends

Dividends are included in the financial statements in the period in which they are actually paid.

Impairment of assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

4. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 31 (2019 - 29).

5. **INTANGIBLE FIXED ASSETS**

	Transfer Fees £
COST	
Additions	68,500
At 31 January 2020	<u>68,500</u>
AMORTISATION	
Amortisation for year	1,067
At 31 January 2020	<u>1,067</u>
NET BOOK VALUE	
At 31 January 2020	<u><u>67,433</u></u>

Notes to the Financial Statements - continued
for the year ended 31 January 2020

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Flood lighting £	Totals £
COST OR VALUATION					
At 1 February 2019	1,473,432	142,169	98,795	37,289	1,751,685
Additions	-	93,071	-	-	93,071
Disposals	-	(17,269)	-	-	(17,269)
Revaluations	1,331,199	-	-	-	1,331,199
At 31 January 2020	<u>2,804,631</u>	<u>217,971</u>	<u>98,795</u>	<u>37,289</u>	<u>3,158,686</u>
DEPRECIATION					
At 1 February 2019	4,631	101,243	95,936	32,942	234,752
Charge for year	-	9,682	572	869	11,123
Eliminated on disposal	-	(8,072)	-	-	(8,072)
At 31 January 2020	<u>4,631</u>	<u>102,853</u>	<u>96,508</u>	<u>33,811</u>	<u>237,803</u>
NET BOOK VALUE					
At 31 January 2020	<u>2,800,000</u>	<u>115,118</u>	<u>2,287</u>	<u>3,478</u>	<u>2,920,883</u>
At 31 January 2019	<u>1,468,801</u>	<u>40,926</u>	<u>2,859</u>	<u>4,347</u>	<u>1,516,933</u>

Included within tangible fixed assets is the freehold property of "The Oval". The property was valued in March 2020 as being £2.8 million by Riddell McKibbin Commercial Property Consultants.. It is the opinion of the directors, the current market value does not differ materially from the external valuation.

Cost or valuation at 31 January 2020 is represented by:

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Flood lighting £	Totals £
Valuation in 1996	318,170	-	-	-	318,170
Valuation in 2006	2,655,534	-	-	-	2,655,534
Valuation in 2010	(1,833,242)	-	-	-	(1,833,242)
Valuation in 2011	(73,471)	-	-	-	(73,471)
Valuation in 2017	259,311	-	-	-	259,311
Valuation in 2020	1,331,199	-	-	-	1,331,199
Cost	147,130	217,971	98,795	37,289	501,185
	<u>2,804,631</u>	<u>217,971</u>	<u>98,795</u>	<u>37,289</u>	<u>3,158,686</u>

If freehold property had not been revalued they would have been included at the following historical cost:

	2020 £	2019 £
Cost	<u>147,130</u>	<u>147,130</u>
Aggregate depreciation	<u>4,631</u>	<u>4,631</u>

Notes to the Financial Statements - continued
for the year ended 31 January 2020

7. **DEBTORS**

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	-	240,000
Other debtors	6,615	13,757
Prepayments and accrued income	6,728	6,962
	<u>13,343</u>	<u>260,719</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>378,330</u>	<u>-</u>
Aggregate amounts	<u>391,673</u>	<u>260,719</u>

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade creditors	92,539	5,958
Amounts owed to group undertakings	75,000	-
Corporation Tax	69,409	96,780
Social security and other taxes	14,597	7,441
VAT	4,303	51,594
Other creditors	11,845	7,426
Directors' current accounts	-	5,000
Accruals and deferred income	-	200,000
Accrued expenses	66,947	10,500
	<u>334,640</u>	<u>384,699</u>

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Other loans more 5yrs non-inst	-	346,250
Accruals and deferred income	5,530	160,661
	<u>5,530</u>	<u>506,911</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Other loans more 5yrs non-inst	<u>-</u>	<u>346,250</u>

Notes to the Financial Statements - continued
for the year ended 31 January 2020

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	2020	2019
	£	£
Other loans	-	346,250

Other securities are as per information filed at Companies House.

11. **RESERVES**

	Revaluation reserve £
Property revaluation	1,078,271
At 31 January 2020	1,078,271

12. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Mr John Magee FCA (Senior Statutory Auditor)
for and on behalf of Aubrey Campbell & Co

13. **CONTINGENT LIABILITIES**

Per confirmation by the Company's legal representatives, contingent liabilities have arisen since 1st January 2019 in respect of unspecified claims by two former employees of the Company, and associated legal and professional fees. At this point, the Company is defending the claims. It is not yet known when legal proceedings will take place, whether or not liabilities will arise from these proceedings and, if so, the likely quantum of these liabilities. The Company has not received any indication as to the cost of its defence. Payment will not be made to any claimant until the conclusion of all legal proceedings.

14. **RELATED PARTY DISCLOSURES**

Included in debtors over one year is a balance of £378,330 owing from East (No 1) Limited in relation to share premium.

Creditor under one year include a balance of £75,000 owing to GFC 1882 Limited.

The controlling party is East (No 1) Limited.

The ultimate controlling party is Mr A S M Pour.

15. **LIMITATION OF AUDITORS' LIABILITY**

The company has entered into a liability limitation agreement with its auditor, Aubrey Campbell and Company, on the following basis, the maximum aggregate amount of the auditor's liability to the company shall not exceed the sum of seven times the fees payable (excluding expenses and value added tax) under the engagement letter agreed for the financial period, or £30,000, whichever is the lesser amount.

Notes to the Financial Statements - continued
for the year ended 31 January 2020

16. ADDITIONAL DISCLOSURES

	2020 £	2019 £
Investments	-	-
Inventories	-	-
Amounts owed to group entities	75,000	-
Tax assets	-	-
Amounts owing to employees	752	-
Amounts payable re: development fees	-	-
Amounts receivable in relation to player transfers	-	-
Amounts payable in relation to player transfers	68,500	-
UEFA Solidarity	54,700	104,281
UEFA Prize Money	-	-
Gate receipts	186,828	172,926
Commercial Income	26,542	12,417
Employee benefit expense	-	-
Profit/(loss) on disposal of intangible fixed assets	-	-
Amounts receivable from group entities	378,330	-
Intangible assets - others	-	-
Bank overdraft	-	-
Total amounts payable to agents/intermediaries	3,672	-