

**Lincoln Red Imps Football Club Limited**

**Financial information  
For the year ended 31 December 2018**

**Registered number: 110695**

# Lincoln Red Imps Football Club Limited

## Profit and loss account for the year ended 31 December 2018

	Note	2018 £	2017 £
Revenue - continuing operations	4	816,333	326,719
Operating costs	5	(688,368)	(827,558)
<b>Operating profit/(loss) - continuing operations</b>		<b>127,965</b>	<b>(500,839)</b>
Interest payable and similar charges		(3,094)	(2,278)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>124,871</b>	<b>(503,117)</b>
Tax on ordinary activities	8	-	-
<b>Profit/(loss) for the year</b>		<b>124,871</b>	<b>(503,117)</b>

The Company has no recognised gains and losses other than the result above and therefore no separate statement of total recognised gains and losses has been presented.

There have been no discontinued activities during the current or preceding year.

## Balance sheet as at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	9	-	8,750
Tangible assets	10	81,304	40,178
		<b>81,304</b>	<b>48,928</b>
<b>Current assets</b>			
Debtors: Amounts due within one year	11	48,650	38,650
Cash and cash equivalents		443,219	132,145
		<b>491,869</b>	<b>170,795</b>
Creditors: Amounts falling due within one year	12	(270,683)	(98,500)
<b>Net current assets</b>		<b>221,186</b>	<b>72,295</b>
<b>Total assets less current liabilities</b>		<b>302,490</b>	<b>121,223</b>
<b>Net assets</b>		<b>302,490</b>	<b>121,223</b>
<b>Capital and reserves</b>			
Called up share capital	13	1,000	-
Capital reserves	14	62,473	7,077
Profit and loss account		239,017	114,146
<b>Surplus in shareholders' funds</b>		<b>302,490</b>	<b>121,223</b>

The financial statements on pages 7 to 20 were approved by the board of directors on 09 APR 2019 and were signed on its behalf by:

.....  
D Viagas  
Director

.....  
C Laguea  
Director

# Lincoln Red Imps Football Club Limited

## Statement of changes in equity for the year ended 31 December 2018

	Called up share capital £	Capital reserves £	Profit & loss account £	Total £
At 31 December 2016	-	7,077	617,263	624,340
Loss for the year	-	-	(503,117)	(503,117)
At 31 December 2017	-	7,077	114,146	121,223
Share Capital	1,000	-	-	1,000
Capital contribution	-	55,396	-	55,396
Profit for the year	-	-	124,871	124,871
<b>At 31 December 2018</b>	<b>1,000</b>	<b>62,473</b>	<b>239,017</b>	<b>302,490</b>

# Lincoln Red Imps Football Club Limited

## Cash flow statement for the year ended 31 December 2018

	Notes	2018 £	2017 £
Net cash from operating activities	16	326,050	(529,450)
Taxation paid		(8,795)	(59,426)
<b>Net cash generated from / (used in) operating activities</b>		<b>317,255</b>	<b>(588,876)</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(59,083)	(37,972)
<b>Net cash used in investing activities</b>		<b>(59,083)</b>	<b>(37,972)</b>
<b>Cash flow from financing activities</b>			
Capital Contributions received		55,396	-
Proceeds from issue of ordinary share capital		600	-
Interest paid		(3,094)	(2,278)
<b>Net cash generated from / (used in) financing activities</b>		<b>52,902</b>	<b>(2,278)</b>
Net increase / (decrease) in cash and cash equivalents		311,074	(645,840)
Cash and cash equivalents at the beginning of the year		132,145	777,985
<b>Cash and cash equivalents at the end of the year</b>		<b>443,219</b>	<b>132,145</b>



**Independent auditor's report  
To the members of Lincoln Red Imps Football Club Limited  
Report on the audit of the financial statements**

***Opinion***

In our opinion, the accompanying financial statements of Lincoln Red Imps Football Club Limited (the "company"):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with Gibraltar Financial Reporting Standards; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

***What we have audited***

We have audited the financial statements of the company, which comprise:

- the balance sheet as at 31 December 2018;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Independence***

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

***Other information***

The directors are responsible for the other information. The other information comprises the Directors' Report for the year ended 31 December 2018 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



**Independent auditor's report  
To the members of Lincoln Red Imps Football Club Limited - continued**

**Report on the audit of the financial statements - continued**

***Other information - continued***

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the directors for the financial statements***

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with applicable law in Gibraltar and Gibraltar Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;



**Independent auditor's report**

**To the members of Lincoln Red Imps Football Club Limited - continued**

**Report on the audit of the financial statements - continued**

***Auditor's responsibilities for the audit of the financial statements - continued***

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

***Use of this report***

We draw attention to the fact that the company is not required to appoint auditors under section 255 of the Companies Act 2014 as the company meets the exemption criteria of section 259. Nevertheless, the members have appointed us to audit these financial statements.

This report, including the opinion, has been prepared for and only for the company's members, as a body for management purposes in accordance with our engagement letter dated 5 March 2019 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', is written over a faint, larger version of the same signature.

PricewaterhouseCoopers  
Gibraltar  
9 April 2019



# **Lincoln Red Imps Football Club Limited**

## **Notes to the financial statements for the year ended 31 December 2018**

### **1 General information**

Lincoln Red Imps Football Club Limited ('the Company') is a Gibraltar based football club that play in the Gibraltar Premier Division, and share the Victoria Stadium with all other clubs in the territory. As at the balance sheet date, the Company is a private Company limited by membership guarantee and is incorporated in Gibraltar.

### **2 Statement of compliance**

The individual financial statements of Lincoln Red Imps Football Club Limited have been prepared in compliance with Gibraltar Accounting Standards, including Gibraltar Financial Reporting Standard 102, "The Financial Reporting standard applicable in Gibraltar" ("GFRS 102") and the Companies Act 2014.

### **3 Accounting policies**

Accounting policies have been consistently applied to all the years presented. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Company accounting policies. There are no other specific areas which require a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements.

# Lincoln Red Imps Football Club Limited

## Notes to the financial statements for the year ended 31 December 2018 - continued

### 4 Segmental reporting

The Company's activities consist solely of operating a football club.

	2018	2017
	£	£
Gate receipts	14,019	-
Sponsorship and advertising	63,996	21,833
Broadcasting rights	8,814	1,500
Membership fees	12,594	4,605
UEFA solidarity and prize money	669,659	249,273
GFA subsidy	46,106	49,508
Loan fee income	1,145	-
	<b>816,333</b>	<b>326,719</b>

# Lincoln Red Imps Football Club Limited

## Notes to the financial statements for the year ended 31 December 2018 - continued

### 5 Operating costs

	2018	2017 £
Wages	242,936	516,148
Social insurance employer	19,299	46,894
Other staff costs	12,434	20,593
<b>Employment benefit expenses</b>	<b>274,669</b>	<b>583,635</b>
Cost of sales/materials	76,374	9,124
Depreciation and amortisation	26,707	16,209
Disposal of fixed assets	-	(713)
Utilities and telephone	4,750	3,000
Rents and rates	2,320	2,187
Professional fees	27,783	7,495
Audit fees	10,010	3,196
Accounting fees	4,000	-
Travel and Entertainment	16,294	13,047
Match day costs	66,227	71,159
Training costs	97,631	55,444
Gifts and donations	1,960	2,500
Advertising	400	-
Foreign exchange (gains)	(7,981)	(18,662)
Medical and physiotherapy costs	49,416	38,748
Other operating expenses	37,808	41,189
	<b>688,368</b>	<b>827,558</b>

Accounting fees represent the full amount of non-audit fees charged by the statutory audit firm.

### 6 Directors' emoluments

There were no directors' emoluments paid during the current year (2017: £nil)

# Lincoln Red Imps Football Club Limited

## Notes to the financial statements for the year ended 31 December 2018 - continued

### 7 Employee information

The Company employed an average of 38 employees, excluding directors (2017: 30).

### 8 Tax on ordinary activities

#### (a) Analysis of charge in the year

	2018 £	2017 £
<b>Current tax</b>		
Gibraltar corporation tax on profit/(loss) for the year	-	-
<b>Tax on profit/(loss) on ordinary activities</b>	-	-

#### (b) Factors affecting tax charge for the year

	2018	2017 £
<b>Profit/(loss) on ordinary activities before tax</b>	<b>124,871</b>	<b>(503,117)</b>
Notional tax at 10%	12,487	(50,311)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,771	1,800
Capital allowances	(3,307)	14
Tax losses (brought)/carried forward	(11,951)	48,497
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

# Lincoln Red Imps Football Club Limited

## Notes to the financial statements for the year ended 31 December 2018 - continued

### 9 Intangible assets

	Total £
<b>Transfer fees</b>	
Cost	
At 1 January	19,771
Additions	-
<b>At 31 December 2018</b>	<b>19,771</b>
Accumulated amortisation	
At 1 January	11,021
Amortisation charge	8,750
<b>At 31 December 2018</b>	<b>19,771</b>
Net book value	
<b>At 31 December 2018</b>	<b>-</b>
At 31 December 2017	8,750

# Lincoln Red Imps Football Club Limited

## Notes to the financial statements for the year ended 31 December 2018 - continued

### 10 Tangible assets

	Spanish Fixture & fittings £	Computer hardware £	Spanish premise improvements £	Gibraltar premises improvements £	Total £
<b>Cost</b>					
At 1 January	-	3,260	37,747	10,354	51,361
Additions	21,702	-	36,686	695	59,083
Disposals	-	-	-	-	-
<b>At 31 December 2018</b>	<b>21,702</b>	<b>3,260</b>	<b>74,433</b>	<b>11,049</b>	<b>110,444</b>
<b>Accumulated depreciation</b>					
At 1 January	-	1,038	4,044	6,101	11,183
Depreciation charge	4,341	815	10,633	2,168	17,957
Disposals	-	-	-	-	-
<b>At 31 December 2018</b>	<b>4,341</b>	<b>1,853</b>	<b>14,677</b>	<b>8,269</b>	<b>29,140</b>
<b>Net book value</b>					
<b>At 31 December 2018</b>	<b>17,361</b>	<b>1,407</b>	<b>59,756</b>	<b>2,780</b>	<b>81,304</b>
<b>At 31 December 2017</b>	<b>-</b>	<b>2,222</b>	<b>33,703</b>	<b>4,253</b>	<b>40,178</b>

### 11 Debtors: amounts due within one year

	2018 £	2017 £
Other debtors	900	1,406
Prepayments	2,351	2,381
Advanced corporate tax payments	45,399	34,863
	<b>48,650</b>	<b>38,650</b>

Included within other debtors is £400 of unpaid share capital.<sup>5</sup>

# Lincoln Red Imps Football Club Limited

## Notes to the financial statements for the year ended 31 December 2018 - continued

### 12 Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals	47,861	-
Deferred income	21,667	21,667
Other Taxation and Social Security	23,619	54,707
Accounts payable to employees	33,869	3,492
Other current liabilities	143,667	18,634
	<b>270,683</b>	<b>98,500</b>

In 2019, the Company had paid the Gibraltar Government £18,284 in respect of all of the PAYE and Employee SI amounts due as at the balance sheet date.

### 13 Share capital

The Company was originally set up as a Company limited by membership guarantee with each member being limited to a maximum of £1. On 28 February 2018, the Company changed its legal status converting the Company into a private Company limited by ordinary shares. The company is authorised by its articles to issue 1,000 shares with a nominal value of £1 per share. Dylan Viagas was issued 400 shares in his capacity as a Trustee for Lincoln Red Imps Football Club Limited Trust (the Trust) and the other 600 shares were issued to two other parties.

### 14 Capital reserves

	2018 £	2017 £
As at 1 January	7,077	7,077
Capital contribution (i)	55,396	-
<b>As at 31 December</b>	<b>62,473</b>	<b>7,077</b>

- (i) The capital contribution of £55,396 relates to the amount contributed by the shareholders of the company as a gift for no shares and no other consideration considered by the company.

The remaining amounts represent the assets and liabilities of Lincoln Red Imps Football and Social Club with a carrying value of £6,485 that were transferred to Lincoln Red Imps Football Club Limited at £nil consideration without an obligation to make any repayment and £592 gifted by a director of the Company to partially finance the transfer fee of two players.

£55,396 out of the £62,403 is considered to be distributable (2017: £nil).

# Lincoln Red Imps Football Club Limited

## Notes to the financial statements for the year ended 31 December 2018 - continued

### 15 Operating lease commitments

The Company entered into a lease agreement for a residential property in Spain on 15 April 2017. The lease is for a period of ten years and at a monthly charge of €1,500. The Company and the lessor have agreed that the Company will incur the necessary costs required to improve the residential property. As a result, the total value of these costs are to be divided by €500 resulting in the number of monthly charges by which the monthly rental charge will be reduced from €1,500 to €1,000. The minimum operating lease commitments payable by the Company are presented below:

	2018 £	2017 £
In one year	10,619	7,080
In more than one year but less than five years	42,478	42,478
In more than five years	24,682	72,124

### 16 Net cash from operating activities

	2018 £	2017 £
Profit/(loss) for the financial year	124,871	(503,117)
Adjustments for:		
Net interest expense	3,094	2,278
<b>Operating profit</b>	<b>127,965</b>	<b>(500,839)</b>
Amortisation and depreciation of fixed assets	26,707	16,209
<b>Working Capital movements</b>		
(Increase) / decrease in debtors	(805)	16,010
Increase/(decrease) in creditors	172,183	(60,830)
<b>Net cash from operating activities</b>	<b>326,050</b>	<b>(529,450)</b>

### 17 Immediate parent undertaking and ultimate controlling party

Given the current shareholding no one party exercises control over the affairs of the company and thus the directors regard no one party to be the company's immediate or ultimate controlling party.

### 18 Related party transactions

There are no related party transaction and/or balances as at 31 December 2018 or 31 December 2017.