

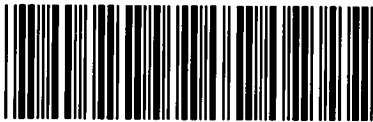
COMPANY REGISTRATION NUMBER R0000145

**CLIFTONVILLE FOOTBALL AND ATHLETIC
CLUB LIMITED**

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2018

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CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Financial Statements

Year ended 31 May 2018

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CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Officers and professional advisers

31 May 2018

Management Committee Mr G Lawlor – Chairman
Mr J Rogan
Mr A Keenan
Mr D Begley
Ms B McMullan
Mr G Walsh (secretary) (appointed 13/09/2017)
Mr S McKillop (resigned 13/09/2017)

Registered Office Solitude
Cliftonville Street
Belfast
BT14 6LP

Bankers Ulster Bank
365 - 369 Ormeau Road
Belfast
BT7 3GP

Solicitors Haugheys Solicitors
138 Upper Lisburn Road
Finaghy Cross Roads
Belfast
BT10 0BE

Auditors Quarter
Chartered Accountants & Statutory Auditors
St. Anne's House
15 Church Street
Belfast
BT1 1PG

CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Statement of Financial Position

Year ended 31 May 2018

	Note	31 May 2018		31 May 2017	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	10	2,089,051		2,175,089	
Intangible fixed assets – players	11	18,696		7,142	
Intangible fixed assets – other		-		-	
Investments		-		-	
			<u>2,107,747</u>		<u>2,182,231</u>
Current assets					
Inventories	12	10,862		14,265	
Receivables	13	22,768		2,463	
Bank and cash		<u>20,235</u>		<u>1,110</u>	
		53,865		17,838	
Payables: amounts falling due within one year	14	<u>(288,752)</u>		<u>(254,725)</u>	
Net current (liabilities)			<u>(234,887)</u>		<u>(236,887)</u>
Total Assets less Current Liabilities			1,872,860		1,945,344
Payables: amounts falling due after more than one year	16		<u>(194,547)</u>		<u>(213,833)</u>
			1,678,313		1,731,511
Provisions for Liabilities and Charges	17		(97,097)		(50,537)
Deferred Grant	18		<u>(1,174,525)</u>		<u>(1,236,675)</u>
Net Assets			<u>406,691</u>		<u>444,299</u>
Reserves					
Profit and Loss Account			174,354		150,792
Revaluation Reserve			<u>232,337</u>		<u>293,507</u>
Members' funds			<u>406,691</u>		<u>444,299</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102.

The company has taken advantage of the exemption under section 444 not to file the Income Statement and Directors' Report.

These Financial Statements were approved by the Board for issue on 28 November 2018 and signed on its behalf by:


Mr G Lawlor
Director

Registration Number R0000145

The Notes on pages 5 to 12 form part of these Financial Statements

CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Reconciliation of Members Funds

Year ended 31 May 2018

	Retained surplus	Revaluation reserve	Total
	£	£	£
At 1 June 2016	<u>136,541</u>	<u>300,178</u>	<u>436,719</u>
Profit for the year	7,577	-	7,577
Transfer between revaluation reserve and retained profit	6,671	(6,671)	-
At 31 May 2017	<u>150,789</u>	<u>293,507</u>	<u>444,296</u>
Profit/(loss) for the year	(37,605)	-	(37,605)
Deferred tax movement on revaluation	54,499	(54,499)	-
Transfer between revaluation reserve and retained profit	6,671	(6,671)	-
At 31 May 2018	<u><u>174,354</u></u>	<u><u>232,337</u></u>	<u><u>406,691</u></u>

CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Statement of Cash Flows

Year ended 31 May 2018

	Note	Year ended 31 May 2018		Year ended 31 May 2017	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	19		214,500		149,923
Returns on investment and servicing of finance					
Interest paid			(9,906)		(12,938)
PAYE paid			(56,876)		(70,410)
Corporation Tax Paid			(6,106)		(565)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(3,249)		-	
Grants from Sport NI and Irish FA		(62,150)		(62,150)	
Revaluation of tangible fixed assets		-		-	
Purchase of intangible fixed assets		(18,500)		(21,000)	
Funds received on disposal of intangible fixed asset		-		4,143	
			<u>(83,899)</u>		<u>(79,007)</u>
Net cash (outflow) before financing			57,713		(12,997)
Financing					
Repayment of other loans		(25,394)		41,529	
Receipt of other loans		21,521			
Receipt of directors loans		27,374			
Repayment of directors loans		(5,452)		1,493	
Net cash inflow from financing			<u>18,049</u>		<u>43,022</u>
Increase/(decrease) in cash during the year			<u>75,762</u>		<u>30,025</u>
Reconciliation of net cash flow to movement in net funds					
Increase/(decrease) in cash in the year			75,762		30,025
Repayment of loans			3,873		(41,529)
Loans from directors			(21,923)		(1,493)
Movement in net funds			57,712		(12,997)
Net funds at beginning of the year			<u>(363,375)</u>		<u>(350,378)</u>
Net funds at end of the year	20		<u>(305,663)</u>		<u>(363,375)</u>

The Notes on pages 5 to 12 form part of these Financial Statements

CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Notes to the Financial Statements

As at 31 May 2018

1. GENERAL INFORMATION

Cliftonville Football and Athletic Club Limited is a company limited by guarantee incorporated in United Kingdom, The Pavilion, Solitude, Cliftonville Street, Belfast, BT14 6LP is the registered office, which is also the principal place of business. The nature of the company's operations and its principal activities are set out in the Directors Report. The financial statements have been presented in Pound Sterling (£) which is also the functional currency of the company.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31 May 2018 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

Basis of preparation

The financial statements have been prepared under the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold Property (Existing property)	-	2% Straight Line
Freehold Property (Newly constructed property)	-	2% Straight Line
Fixtures & Fittings (Floodlights)	-	4% Straight Line
Fixtures & Fittings (3G Pitch)	-	10% Straight Line
Fixtures & Fittings (All other)	-	25% Reducing Balance

The carrying values of tangible assets are reviewed for impairment in the year if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible fixed assets and depreciation

The direct costs of acquiring players' registrations – normally the transfer fees payable – are capitalised as intangible fixed assets and depreciated on a straight line basis over the term of the players' individual contracts while the players are still registered with the club.

All capitalised player values are reviewed individually each year by the club for possible impairment.

CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Notes to the Financial Statements

As at 31 May 2018

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

Government and Irish FA Capital Grants

Capital grants received from the Government (e.g. Sport NI) and from the Irish FA in respect of fixed assets are credited to the Deferred Grant, and released over the useful life of the asset once it is completed.

Taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance Statement of Financial Position date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Going Concern

The club has reported a net profit before tax amount for the year of £15,198, and the company's Statement of Financial Position showed a net asset position at 31 May 2018 of £406,691. Nonetheless, the directors' acknowledge that there were net current liabilities of £234,887 and the club reported a net loss after tax of £37,605, after the inclusion of a deferred tax charge relating to a previous revaluation of the club's stadium.

In response to this, the club's management note that the first team qualified for the Europa League in the 2018/19 season, which brought significant prize money accordingly. The management team are also monitoring cashflow on a periodic basis, and are developing strategic plans aimed at ensuring the continued financial viability of the club.

The company had previously renegotiated a long term repayment of the current outstanding bank loan. Bank loan repayments have continued in line with the banks requirements in year ending 31st May 2018.

The club is also reliant on the financial support of the directors, who have agreed not to put any undue pressure on the club to repay their directors' loans in the short term, and certainly not in the next twelve months.

Given the above, the Financial Statements have been prepared on a going concern basis. There is no material uncertainty regarding the company's ability to continue on a going concern basis.

CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Notes to the Financial Statements

As at 31 May 2018

4 INFORMATION RELATING TO THE AUDITOR'S REPORT

The Audit Report was unqualified. There were no matters to which the auditor was required to refer by way of emphasis.

The financial statements were audited by Quarter Chartered Accountants.
The Auditor's Report was signed by Gary McErlean (Senior Statutory Auditor) for and behalf of Quarter Chartered Accountants on 28th November 2018.

5 PROVISIONS AVAILABLE FOR AUDIT OF SMALL ENTITIES

In common with many other small businesses of our size and nature, we use our auditors to provide assistance with the preparation of the annual financial statements and seven-month management accounts; to prepare and submit corporation tax returns to Her Majesty's Revenue and Customs and to submit all relevant documentation to Companies House.

6 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

(a) Critical judgements in applying the company's accounting policies

There are no critical judgements in applying the company's accounting policies.

(b) Key accounting estimates and assumptions

There are no key accounting estimates and assumptions in applying the company's accounting policies.

7. AUDITORS REMUNERATION

	2018 £	2017 £
Audit of the statutory financial statements	7,950	4,500
	<u>7,950</u>	<u>4,500</u>

The limitation of the firm's liability for this engagement, which is capped at five times the amount of professional fees actually paid, is referenced in the letter of engagement dated 30 August 2018. This was approved on 19 September 2018.

8. EMPLOYEES AND REMUNERATION

Number of employees

The average number of persons employed (including executive directors) during the year was as follows:

	2018 Number	2017 Number
Playing	21	24
Coaching	7	7
Social Club	9	10
	<u>37</u>	<u>41</u>

CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Notes to the Financial Statements

As at 31 May 2018

	2018 £	2017 £
(a) Analysis of charge in the year		
Current tax:		
Corporation tax at 19% (2017 – 19.83%) (Note 9 (b))	7,242	6,105
Deferred tax:		
Origination and reversal of timing differences	(12,651)	(8,099)
Adjustment of opening deferred tax liability	58,212	
Total deferred tax	45,561	(8,099)
Tax on profit (Note 9 (b))	52,803	(1,994)

The directors considered the requirement to account for deferred tax on revaluations and have considered it appropriate to include deferred tax on a previous revaluation. This is accounted for as adjustment of opening deferred tax liability.

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom 19% (2017 - 19.83%). The differences are explained below:

	2018 £	2017 £
Profit (loss) before tax	15,198	5,586
Profit (loss) before tax multiplied by the standard rate of corporation tax in the United Kingdom at 19% (2016 – 19.83%)	2,888	1,108
Effects of:		
Expenses not deductible for tax purposes	(11,455)	(11,354)
Depreciation in excess of capital allowances for period	15,809	16,351
Deferred tax	45,561	(8,099)
Total tax charge for the year (Note 9 (a))	52,803	(1,994)

10. Tangible fixed assets

	Football club property £	Football club equipment £	Social club equipment £	Total £
Cost or valuation				
At 1 June 2017	2,204,360	613,358	37,427	2,855,145
Additions	-	3,249	-	3,249
Revaluations	-	-	-	-
At 31 May 2018	2,204,360	616,607	37,427	2,858,394
Depreciation				
At 1 June 2017	337,792	304,902	37,362	680,056
Charge for the year	44,087	45,184	16	89,287
At 31 May 2018	381,879	350,086	37,378	769,343
Net Book Value				
At 31 May 2018	1,822,481	266,521	49	2,089,051
At 31 May 2017	1,866,568	308,456	65	2,175,089

CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Notes to the Financial Statements

As at 31 May 2018

10. Tangible fixed assets (cont)

The club instructed CBRE (32-28 Linenhall Street, Belfast), the international real estate services provider and independent property valuer's to carry out a valuation of the club property as at 31 May 2013. This was carried out during August 2013 on a depreciated replacement cost basis. The valuation was not significantly different to the corresponding net book value contained within the financial statements.

On transition to FRS 102, the club has elected to use a revaluation of football club property before the date of transition to FRS 102 as the deemed cost at the revaluation date.

As revaluation of club property has been taken as the deemed cost from the date of revaluation, excess depreciation from revaluation has been transferred from the revaluation reserve to the profit and loss reserve. During the YE 31 May 2018 £6,671 was transferred from revaluation reserve to realised reserves.

11. Intangible fixed assets

	Player registrations £	Total £
Costs of acquiring registrations		
At 1 June 2017	11,000	11,000
Additions	18,500	18,500
Disposals	-	-
At 31 May 2018	<u>29,500</u>	<u>29,500</u>
Depreciation		
At 1 June 2017	3,858	3,858
Charge for the year	6,946	6,946
Depn on Disposal	-	-
At 31 May 2018	<u>10,804</u>	<u>10,804</u>
Net Book Value		
At 31 May 2018	<u>18,696</u>	<u>18,696</u>
At 31 May 2017	<u>7,142</u>	<u>7,142</u>

12. Inventories

	2018 £	2017 £
Football club	8,683	12,292
Social club	2,179	1,973
	<u>10,862</u>	<u>14,265</u>

CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Notes to the Financial Statements

As at 31 May 2018

13. Receivables	2018	2017
	£	£
Accounts receivable from player transfers and development fees	-	-
Accounts receivable from players on loan from another club	-	-
Accounts receivable from related parties	-	-
Accounts receivable from the IFA	-	-
Trade receivables	-	110
VAT repayable	-	-
Other receivables	22,768	2,353
	<u>22,768</u>	<u>2,463</u>

14. Payables (amounts falling due with one year)	2018	2017
	£	£
Bank loans and overdraft	24,000	56,636
Other loans	46,236	54,823
Directors Loans	61,115	39,192
Trade payables and accruals	84,357	64,307
Deferred income	26,906	-
Other payables	491	524
Amounts due to IFA	-	-
Accounts payable relating to player transfers	-	-
Accounts payable for players on loan to another club	-	-
Salaries due to players and other staff	-	-
Accounts payable to related parties	-	-
PAYE & NIC	2,403	752
VAT	36,002	32,386
Corporation tax	7,242	6,105
Short-term provisions	-	-
	<u>288,752</u>	<u>254,725</u>

The club PAYE reference number is 925/70365.

The club VAT reference number is 924 270 830

15. Contingent Liability

In March and April 2013, a former director used funds from another entity to settle club debts of £2,500 and pay into the clubs bank £10,000 in return for increasing his directors loan account, and a further £1,500 in May 2015 in return for increasing his directors loan. This entity has commenced an investigation against this former director.

Whilst the club are not part of this investigation, and understand that efforts are being made between the former director and the entity to resolve matters, the club may need to consider its legal position if an unsatisfactory conclusion ensues between the two parties. In any event, the club would seek to mitigate its position by considering the amounts owed by the club to the former director.

CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Notes to the Financial Statements

As at 31 May 2018

16. PAYABLES	2018	2017
Amounts falling due after more than one year	£	£
Bank loan	129,000	153,000
Other loans	65,547	60,833
	<u>194,547</u>	<u>213,833</u>
Other Loans		
Repayable in one year or less, or on demand (Note 15)	70,236	111,459
Repayable between one and two years	44,500	36,000
Repayable between two and five years	115,151	108,000
Repayable in five years or more	34,896	69,833
	<u>264,783</u>	<u>325,292</u>

Security:

- The following securities have been agreed in relation to the Clubs borrowings from Ulster Bank:
- Freehold 1st Legal Charge over the Borrower's property at Solitude, Cliftonville Street, Belfast;
 - Debenture pledged by Cliftonville Football and Athletic Club Limited;
 - Personal Guarantee for £295,800 from Gerard Lawlor, Paul Treanor, Stephen McKillop and John Rogan.

The property known as "Solitude" Cliftonville Street, Belfast, BT14 6LP is subject to the following mortgages:-

- Mortgage to Ulster Bank dated 1 September 1994 (subject to a Priority Agreement dated 10 February 2009);
- Debenture to Ulster Bank dated 22 July 2009.
- Mortgage to Hugh McCartan dated 14 April 2016.

The following security had been agreed in relation to the Club's borrowings from Tennent's NI Ltd:

- Personal guarantees from Ms Bronagh McMullan, Mr Stephen McKillop and Mr Gerard Lawlor

17. Provisions for liabilities and charges

The amounts provided for deferred taxation and other provisions are analysed below:

	Capital Allowances	Property Revaluations	Player Purchase	Total
At 1 June 2017	50,537	-	-	50,537
Charged to profit and loss	(8,939)	54,499	1,000	46,560
As at 31 May 2018	<u>41,598</u>	<u>54,499</u>	<u>1,000</u>	<u>97,097</u>

CLIFTONVILLE FOOTBALL AND ATHLETIC CLUB LIMITED

Notes to the Financial Statements

As at 31 May 2018

18. Deferred Grant

	2018	2017
	£	£
Opening balance	1,236,675	1,298,825
Grants received	-	-
Released to Profit and Loss Account	(62,150)	(62,150)
Closing balance	<u>1,174,525</u>	<u>1,236,675</u>

Security;

Mortgage to Sports Council for Northern Ireland dated 2 August 2007 (subject to a Priority Agreement dated 10 February 2009).

19. Net cash flow from operating activities

	2018	2017
	£	£
Profit/(loss) for year	(37,605)	7,580
Depreciation	96,233	103,809
Loss on Disposal	-	31,569
Tax on profit on ordinary activities	52,803	(1,993)
PAYE	56,876	70,410
Interest Income	-	-
Servicing of finance	9,906	12,938
(Increase)/Decrease in inventories	3,403	2,372
(Increase)/Decrease in receivables	(20,305)	11,849
Increase/(Decrease) in payables	52,189	(88,611)
Increase/(Decrease) in provisions	1,000	-
Net cash inflow/(outflow) from operating activities	<u>214,500</u>	<u>149,923</u>

20. Analysis of changes in net funds

	2018	2017
	£	£
Bank and cash	20,235	1,110
Bank loans and overdraft	(153,000)	(209,636)
Other loans, including directors loans	(172,898)	(154,849)
Net funds	<u>(305,663)</u>	<u>(363,375)</u>

21. Related party transactions

There were no related party transactions during the financial year.