

Company Registration No. 00175954 (England and Wales)

THE TORQUAY UNITED ASSOCIATION FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

PAGES FOR FILING WITH REGISTRAR

THE TORQUAY UNITED ASSOCIATION FOOTBALL CLUB LIMITED

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THE TORQUAY UNITED ASSOCIATION FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Director	Mr C Osborne	(Appointed 31 December 2016)
Company number	00175954	
Registered office	Plainmoor Torquay Devon TQ1 3PS	
Auditor	Darnells Chartered Accountants Quay House Quay Road Newton Abbot Devon TQ12 2BU	

THE TORQUAY UNITED ASSOCIATION FOOTBALL CLUB LIMITED

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	3		3,398		-
Tangible assets	4		2,498,902		2,577,467
Current assets					
Stocks		21,239		3,761	
Debtors	5	135,237		91,591	
Cash at bank and in hand		16,225		78,985	
		<u>172,701</u>		<u>174,337</u>	
Creditors: amounts falling due within one year	6	<u>(387,773)</u>		<u>(613,882)</u>	
Net current liabilities			(215,072)		(439,545)
Total assets less current liabilities			2,287,228		2,137,922
Creditors: amounts falling due after more than one year	7		(1,669,685)		(1,513,299)
Net assets			<u>617,543</u>		<u>624,623</u>
Capital and reserves					
Called up share capital	8		983,990		983,990
Profit and loss reserves			(366,447)		(359,367)
Total equity			<u>617,543</u>		<u>624,623</u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 22 March 2018 and are signed on its behalf by:

Mr C Osborne
Director

Company Registration No. 00175954

THE TORQUAY UNITED ASSOCIATION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

The Torquay United Association Football Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is Plainmoor, Torquay, Devon, TQ1 3PS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2017 are the first financial statements of The Torquay United Association Football Club Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

These financial statements are prepared on the going concern basis. The director has a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the director is aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern. The company incurred operational losses during the year of £303,733, this has been funded by loans from the parent company, Riviera Stadiums Limited, totalling £455,000 (2016 - £120,000). At the time of approval of these financial statements, it is the understanding of the director that such financial support will continue for the remainder of the 2017/18 and into the 2018/19 football season. The club has embarked on a strategic plan to ensure that it can operate on a sustainable commercial basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

THE TORQUAY UNITED ASSOCIATION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	20% per annum straight line
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1.5 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	2% per annum straight line
Plant and machinery	15% per annum reducing balance
Bristows Bench	2% per annum straight line
Motor vehicles	25% per annum reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

THE TORQUAY UNITED ASSOCIATION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments 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 and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

THE TORQUAY UNITED ASSOCIATION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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 recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 32 (2016 - 32).

THE TORQUAY UNITED ASSOCIATION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

3 Intangible fixed assets

	Other £
Cost	
At 1 July 2016	-
Additions	4,248
At 30 June 2017	4,248
Amortisation and impairment	
At 1 July 2016	-
Amortisation charged for the year	850
At 30 June 2017	850
Carrying amount	
At 30 June 2017	3,398
At 30 June 2016	-

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 July 2016	1,673,465	2,608,431	4,281,896
Additions	-	22,412	22,412
Disposals	-	(3,577)	(3,577)
At 30 June 2017	1,673,465	2,627,266	4,300,731
Depreciation and impairment			
At 1 July 2016	736,113	968,315	1,704,428
Depreciation charged in the year	33,470	66,871	100,341
Eliminated in respect of disposals	-	(2,940)	(2,940)
At 30 June 2017	769,583	1,032,246	1,801,829
Carrying amount			
At 30 June 2017	903,882	1,595,020	2,498,902
At 30 June 2016	937,352	1,640,115	2,577,467

THE TORQUAY UNITED ASSOCIATION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

5 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	36,127	79,571
Other debtors	99,110	12,020
	<u>135,237</u>	<u>91,591</u>
	<u><u>135,237</u></u>	<u><u>91,591</u></u>
6 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	88,859	73,861
Amounts due to group undertakings	-	166,653
Other taxation and social security	50,475	86,098
Other creditors	248,439	287,270
	<u>387,773</u>	<u>613,882</u>
	<u><u>387,773</u></u>	<u><u>613,882</u></u>
7 Creditors: amounts falling due after more than one year	2017	2016
	£	£
Other creditors	1,669,685	1,513,299
	<u>1,669,685</u>	<u>1,513,299</u>
	<u><u>1,669,685</u></u>	<u><u>1,513,299</u></u>
8 Called up share capital	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
983,990 Ordinary shares of £1 each	983,990	983,990
	<u>983,990</u>	<u>983,990</u>
	<u><u>983,990</u></u>	<u><u>983,990</u></u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

THE TORQUAY UNITED ASSOCIATION FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

9 Audit report information

(Continued)

Emphasis of matter - Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. The company incurred an operating loss of £303,733 during the year ended 30 June 2017. This condition, along with the reliance on the parent company for loans of £455,000, indicates the existence of a material uncertainty that may cast doubt on the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

The senior statutory auditor was Paul Beard.

The auditor was Darnells Chartered Accountants.

10 Financial commitments, guarantees and contingent liabilities

a) In the course of its ordinary business in the player transfer market, the club has entered into contracts to buy and sell players where part of the consideration will only become payable/receivable dependant upon the players professional performance (e.g. number of first team appearances, goals scored etc.) Due to the inherent uncertainty in respect of such expenditure/income, no account has been taken of any such potential expenditure or income which may arise after the year end.

b) In accordance with rules of the Football Foundation, if the club ceases to use a facility for which a ground improvement grant was received, all or part of the capital grant may become repayable. The unamortised values of these grants are included in deferred capital grants.

11 Events after the reporting date

After the year end 170,506 £1 ordinary shares held by Torquay United Holdings Limited, a company which was dissolved and the investment held bona vacantia by the Crown, transferred its shareholding interest in the company to Riviera Stadiums Limited and other shareholders.

12 Related party transactions

During the year the company paid interest of £6,000 (2016 - £Nil) to Riviera Stadium Limited, an intermediate parent company, for cash loaned to the company. As at 30 June 2017 Torquay United Association Football Club owed £455,000 (2016 - £120,000) to Riviera Stadium Limited and is included in other creditors due in more than one year.

13 Parent company

The parent company is Riviera Stadium Limited, a company registered in England & Wales, which holds 75.01% of the share capital of the company.

The ultimate parent company is Toklon Limited, a company registered in England & Wales, whose registered office is Abbey Stadium, Lady Lane, Blunsdon, Swindon, SN25 4DN.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.