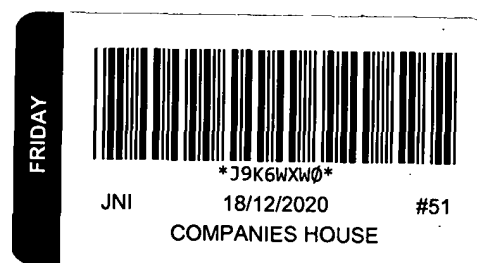


# Financial Statements

## Rockford GSO Limited

---

For the Year Ended 31 August 2020



Registered number: NI632951

## Contents

|  | Page          |
|--|---------------|
| <b>Independent auditor's report</b>      | <b>1 - 5</b>  |
| <b>Balance sheet</b>                     | <b>6</b>      |
| <b>Notes to the financial statements</b> | <b>7 - 12</b> |

# Independent auditor's report to the members of Rockford GSO Limited

## Opinion

We have audited the financial statements of Rockford GSO Limited, which comprise the Statement of comprehensive income, the Balance sheet for the financial year ended 31 August 2020, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Rockford GSO Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company as at 31 August 2020 and of its financial performance for the year then ended; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Independent auditor's report to the members of Rockford GSO Limited (continued)

### **Other information**

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment we have obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report or in preparing the Directors' report.

## Independent auditor's report to the members of Rockford GSO Limited (continued)

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 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, management is 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 management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Independent auditor's report to the members of Rockford GSO Limited (continued)

### **Responsibilities of the auditor for the audit of the financial statements**

The objectives of an auditor 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 (UK), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will 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 their 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 of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management'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 Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 a true and fair view.

The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.



## Independent auditor's report to the members of Rockford GSO Limited (continued)

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in cursive script that reads "Louise Kelly".

Louise Kelly (Senior statutory auditor)

for and on behalf of

**Grant Thornton (NI) LLP**

Chartered Accountants

Statutory Auditors

Belfast

18 December 2020

## Balance sheet

As at 31 August 2020

|   | Note | 2020<br>£          | 2019<br>£          |
|---|------|--------------------|--------------------|
| <b>Fixed assets</b>                                     |      |                    |                    |
| Investment property                                     | 5    | 4,650,000          | 5,000,000          |
|   |      | <u>4,650,000</u>   | <u>5,000,000</u>   |
| <b>Current assets</b>                                   |      |                    |                    |
| Debtors: amounts falling due within one year            | 6    | 1,599,873          | 1,102,776          |
| Cash at bank and in hand                                | 7    | 99                 | 1,200              |
|   |      | <u>1,599,972</u>   | <u>1,103,976</u>   |
| Creditors: amounts falling due within one year          | 8    | (216,341)          | (225,087)          |
| <b>Net current assets</b>                               |      | <u>1,383,631</u>   | <u>878,889</u>     |
| <b>Total assets less current liabilities</b>            |      | <u>6,033,631</u>   | <u>5,878,889</u>   |
| Creditors: amounts falling due after more than one year | 9    | (9,059,390)        | (8,424,915)        |
| <b>Net liabilities</b>                                  |      | <u>(3,025,759)</u> | <u>(2,546,026)</u> |
| <b>Capital and reserves</b>                             |      |                    |                    |
| Called up share capital                                 | 11   | 100                | 100                |
| Profit and loss account                                 | 12   | (3,025,859)        | (2,546,126)        |
| <b>Shareholders' deficit</b>                            |      | <u>(3,025,759)</u> | <u>(2,546,026)</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 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2020.



**Bernard Eastwood**  
Director

The notes on pages 7 to 12 form part of these financial statements.



# Notes to the financial statements

For the year ended 31 August 2020

## 1. General information

Rockford GSO Limited is a private company limited by shares, incorporated in Northern Ireland. The registered office is 2 Downshire Road, Holywood, BT18 9LU. The principal activity of the company is the rental of investment property.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

### 2.2 Going concern

The financial statements have been prepared on a going concern basis because the company's parent undertaking, Rockford Portfolio Limited, has provided assurances that it will not recall the loan balance owing to them for a period of at least twelve months from the date of signing the financial statements. In addition, Rockford Portfolio Limited has also provided assurances that they will continue to provide the financial resources necessary to enable the company to continue in its normal course of business for a period of at least twelve months from the date of signing the financial statements.

### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Rental of investment property

Revenue from a contract to lease the property is recognised in the period in which the property is occupied. Any rent free periods included within the lease agreement are spread across the useful life of the lease, when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the company will receive the consideration due under the contract.

# Notes to the financial statements

For the year ended 31 August 2020

## 2. Accounting policies (continued)

### 2.4 Operating leases: the Company as lessor

Rental income from operating leases is credited to the Statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

### 2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.6 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## Notes to the financial statements

For the year ended 31 August 2020

### 2. Accounting policies (continued)

#### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are required when applying accounting policies. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future, which can involve a high degree of judgement or complexity. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### a) Market value of investment properties

Estimates are made in respect of the market value of investment properties. When assessing the market value of these assets, factors including current rent receivable and available data on current market yields and activity are considered.

### 4. Employees

The company has no employees other than the directors, who did not receive any remuneration (2019 - £NIL).

# Notes to the financial statements

For the year ended 31 August 2020

## 5. Investment property

|                          | Freehold<br>investment<br>property<br>£ |
|--------------------------|---|
| <b>Valuation</b>         |   |
| At 1 September 2019      | 5,000,000                               |
| Deficit on revaluation   | (350,000)                               |
| <b>At 31 August 2020</b> | <b>4,650,000</b>                        |

The 2020 valuation was made by an independent professional valuer, on an open market value for existing use basis.

## 6. Debtors: amounts falling due within one year

|                                    | 2020<br>£        | 2019<br>£        |
|------------------------------------|------------------|------------------|
| Amounts owed by group undertakings | 1,026,892        | 385,204          |
| Other debtors                      | 13,576           | 8,740            |
| Prepayments and accrued income     | 559,405          | 708,832          |
|                                    | <b>1,599,873</b> | <b>1,102,776</b> |

Amounts owed by group undertakings are interest free, unsecured and repayable on demand except those which are financing in nature whereby a market rate of interest is applied.

## 7. Cash and cash equivalents

|                          | 2020<br>£ | 2019<br>£    |
|--------------------------|-----------|--------------|
| Cash at bank and in hand | 99        | 1,200        |
|                          | <b>99</b> | <b>1,200</b> |

# Notes to the financial statements

For the year ended 31 August 2020

## 8. Creditors: amounts falling due within one year

|                                    | 2020<br>£      | 2019<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 7,452          | 4,780          |
| Other taxation and social security | 38,259         | 41,798         |
| Accruals and deferred income       | 170,630        | 178,509        |
|                                    | <u>216,341</u> | <u>225,087</u> |

## 9. Creditors: amounts falling due after more than one year

|                                    | 2020<br>£        | 2019<br>£        |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 9,059,390        | 8,424,915        |
|                                    | <u>9,059,390</u> | <u>8,424,915</u> |

Amounts owed to group undertakings are interest free, unsecured and repayable on demand except those which are financing in nature whereby a market rate of interest is applied.

## 10. Commitments due under operating leases as lessor

|  | 2020<br>£        | 2019<br>£        |
|--|------------------|------------------|
| Not later than 1 year                        | 682,236          | 685,628          |
| Later than 1 year and not later than 5 years | 1,397,744        | 2,079,980        |
|  | <u>2,079,980</u> | <u>2,765,608</u> |

## 11. Called up share capital

|  | 2020<br>£  | 2019<br>£  |
|--|------------|------------|
| Allotted, called up and fully paid             |            |            |
| 100 (2019 - 100) Ordinary shares of £1.00 each | 100        | 100        |
|  | <u>100</u> | <u>100</u> |

## Notes to the financial statements

For the year ended 31 August 2020

### 12. Reserves

#### Profit and loss account

This includes all current and prior period retained profits and losses.

#### Called up share capital

This represents the nominal value of shares issued.

### 13. Charges on assets

There are negative and fixed charges over the investment property in addition to guarantees and legal charges over its assets, which have been provided as security for parent company loans.

### 14. Related party transactions

The company has availed of the exemption in FRS102 Section 33, Paragraph 33.1A which allows non-disclosure of transactions between members of the group headed by Rockford Portfolio Limited, on the grounds that 100% of voting rights are controlled within that group.

### 15. Post balance sheet events

On the 11th of March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic, which is currently ongoing. Management is closely monitoring the evolution of this pandemic, including how it may affect the company, the economy and the general population. Any long term future financial impacts of these events cannot be determined by management at this time as the directors note that this is a dynamic situation with continuous uncertainties surrounding the duration of the pandemic and disruptions to operations. However, trading levels and working capital remains strong, and thus, management are confident that the company is well placed to withstand potential future challenges in this context.

### 16. Controlling party

The company's immediate parent is Rockford Portfolio Limited, a company registered in Northern Ireland. The smallest and largest group which the results of Rockford GSO Limited is included in is that held by Rockford Portfolio Limited. Consolidated financial statements of Rockford Portfolio Limited as at 31 August 2020 can be obtained from its registered office: 2 Downshire Road, Holywood, BT18 9LU. The company is ultimately controlled by Wirefox Holding Company, a company registered in Northern Ireland and Rockford Capital Limited, a company registered in British Virgin Islands.