

GUERNSEY RFC LBG
REPORT AND FINANCIAL STATEMENTS
30 JUNE 2021

GUERNSEY RFC LBG

REPORT AND FINANCIAL STATEMENTS

30 JUNE 2021

CONTENTS	PAGE
Company information	2
Directors' report and directors' responsibilities statement	3
Auditor's report	4
Income statement and statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9 to 13
Detailed income statement	14

GUERNSEY RFC LBG

COMPANY INFORMATION

30 JUNE 2021

DIRECTORS:

Adrian Le Page
Martin Belcher
Charles McHugh
Andrea Harris
Sadie Merrien
Andrew Whittaker
Chris Gnapp
Paul Wright
Ian Endres
Nathan Jordan Reynolds
Malcolm Barnes

SECRETARY:

Sadie Merrien

REGISTERED OFFICE:

PO Box 181
Footes Lane
St Peter Port
Guernsey
GY1 2UL

REGISTERED NUMBER:

53279

ACCOUNTANTS:

Kemp & Company Limited
Suite A
Stan Brouard Complex
Landes du Marche
Vale
Guernsey
GY6 8DE

GUERNSEY RFC LBG

DIRECTORS' REPORT

30 JUNE 2021

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2021.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of to encourage and facilitate the playing of rugby football in Guernsey.

RESULTS

The results of the company for the year are set out on page 5.

GOING CONCERN

The directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

DIRECTORS

Adrian Le Page
Martin Belcher
Charles McHugh
Andrea Harris
Sadie Merrien
Andrew Whittaker
Chris Gnapp
Paul Wright
Jan Endres
Nathan Jordan Reynolds
Malcolm Barnes

DIRECTORS' RESPONSIBILITIES STATEMENT

The Companies (Guernsey) Law, 2008 requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 ("FRS 102 Section 1A - small entities") and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law 2008. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

AUDITORS

Each of the persons who is a director at the date of approval of the financial statements confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of The Companies (Guernsey) Law, 2008.

A resolution to reappoint Kemp & Company Limited as the company's auditors will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD:

Director

Director

23 | 12 | 21

Date

23 | 12 | 21

Date

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GUERNSEY RFC LBG

Opinion

We have audited the financial statements of Guernsey RFC LBG for the year ended 30 June 2021, which comprise the Income Statement and Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company's affairs as at 30 June 2021 and of its profit for the year then ended;
- the financial statements have been prepared in accordance with the Companies (Guernsey) Law, 2008 and; and The Protection of Investors (Bailiwick of Guernsey) Law, 1987.
- the financial statements have been properly prepared in accordance with Generally Accepted Accounting Practice; and
- the information given in the Directors' Report is consistent with the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the Financial Reporting Council. Our responsibilities under those standards are further described in the Auditors' responsibilities 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, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing. Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

The directors' responsibilities for preparing the financial statements in accordance with applicable law and

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GUERNSEY RFC LBG -continued**

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and sector, control environment and business performance including the design of remuneration policies and performance targets. We also obtained an understanding of the legal and regulatory frameworks that are applicable to the Company.

We assessed compliance with these laws and regulations through enquiry with directors and review of board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur.

In addressing the risk of fraud including management override of controls, we have considered the design and implementation of key controls and performed journal testing to verify the business rationale for such transactions. We assessed whether the judgements made in making accounting estimates are indicative of a potential bias. Fraud risk in revenue was tested substantively involving analytical review and sample testing of transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with the Companies (Guernsey) Law, 2008. 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 Auditors' 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.

Kemp & Company Limited

23 December 2021

Kemp & Company Limited
Suite A
Stan Brouard Complex
Landes du Marche
Vale
Guernsey

GUERNSEY RFC LBG

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

INCOME STATEMENT	Note	2021	2020
		£	£
Turnover - bar	3	86,264	119,510
Cost of sales		<u>(33,963)</u>	<u>(52,688)</u>
Gross profit		52,301	66,822
Bar expenses		<u>(22,241)</u>	<u>(38,099)</u>
Bar operating profit		30,059	28,723
Turnover - rugby		289,198	277,064
Rugby expenses		<u>(231,968)</u>	<u>(330,349)</u>
Profit/(loss) on ordinary activities before taxation		87,289	(24,562)
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the financial year		<u>87,289</u>	<u>(24,562)</u>
 STATEMENT OF COMPREHENSIVE INCOME			
		2021	2020
		£	£
Profit/(loss) for the financial year		<u>87,289</u>	<u>(24,562)</u>
Total comprehensive income for the year		<u>87,289</u>	<u>(24,562)</u>

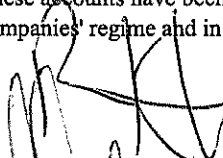
GUERNSEY RFC LBG

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021		2020	
		£	£	£	£
FIXED ASSETS					
Plant and equipment	7	448,394		398,825	
Investment in subsidiary	8	<u>1</u>		<u>1</u>	
			448,395		398,826
CURRENT ASSETS					
Stock		6,462		5,824	
Debtors	9	170,405		122,069	
Cash at bank and in hand		<u>289,153</u>		<u>190,613</u>	
		466,020		318,506	
CREDITORS: Amounts falling due within one year	10	<u>(313,370)</u>		<u>(273,569)</u>	
NET CURRENT ASSETS			<u>152,650</u>		<u>44,937</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			601,045		443,763
CREDITORS: Amounts falling due after more than one year	11		<u>(120,000)</u>		<u>(68,157)</u>
NET ASSETS			<u>481,045</u>		<u>375,606</u>
CAPITAL AND RESERVES					
Members' contributions			234,609		216,459
Revaluation reserve			200,000		200,000
Profit and loss account			<u>46,436</u>		<u>(40,853)</u>
TOTAL EQUITY			<u>481,045</u>		<u>375,606</u>


These accounts 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.



 Director

23/12/21

 Approved by the board on:



 Director

23/12/21

 Approved by the board on:

GUERNSEY RFC LBG

STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2021

	Profit and loss account	Total
	£	£
AT 1 JULY 2019	(16,291)	(16,291)
Loss for the financial year	(24,562)	(24,562)
Total comprehensive income for the financial year	(40,853)	(40,853)
AT 30 JUNE 2020	(40,853)	(40,853)
AT 1 JULY 2020	(40,853)	(40,853)
Profit for the financial year	87,289	87,289
Total comprehensive income for the financial year	46,436	46,436
AT 30 JUNE 2021	46,436	46,436

GUERNSEY RFC LBG

NOTES TO THE ACCOUNTS

30 JUNE 2021

1 General information

Guernsey RFB LGB is a company limited by guarantee and incorporated in Guernsey. Its registered address is PO Box 181, Footes Lane, St Peter Port, Guernsey, GY1 2UL.

2 Basis of preparation and compliance with accounting standards

These financial statements have been prepared on a going concern basis in accordance with the provisions of applicable United Kingdom accounting standards, Financial Reporting Standard 102 Section 1A - smaller entities and with The Companies (Guernsey) Law 2008.

3 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and have been consistently applied within the same accounts, unless otherwise stated. The presentation currency is £ sterling.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered/products sold, stated net of discounts. The company recognises revenue when the amount of revenue can be measured reliably and when it is probable that future economic benefits will flow to the entity.

Plant and equipment

The company measures all items of plant and equipment after initial recognition using the cost model as detailed below.

Under the cost model property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows.

Leasehold improvements	5% reducing balance
Clubhouse fixtures & fittings	10% reducing balance
Rugby equipment	20% reducing balance
Scoreboard	4 years straight line (from 2019 to 2022)
Club Pitch	15 years straight line (from 2020 to 2034)
Mascot costume	3 years straight line (from 2020 to 2022)
Office container	5 years straight line (from 2020 to 2024)
Office equipment	3 years straight line (from 2021 to 2025)

On disposal, the difference between the net disposal proceeds and the net book value of the item sold is recognised in profit or loss, and included in other operating income.

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

3 Summary of significant accounting policies (continued)

Investments in subsidiary

Under FRS 102 section 1A.21 the Company is exempt from preparing consolidated financial statements as the parent qualifies as small. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group. The investment in subsidiary, The Guernsey Rugby Academy LBG, is carried at cost.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are interest free, unsecured and receivable on demand and hence are measured at their fair value.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including loans, are interest free, unsecured and payable on demand and hence are measured at their fair value.

4 Taxation

The company is a Guernsey registered charity and as such under Section 40A of the Income Tax (Guernsey) Law, 1975 the income is exempt as it is all applied to charitable purposes only.

5 Judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. Although the nature of estimation means that actual outcomes could differ from those estimates both estimates and judgements 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.

No significant judgements have had to be made by the directors in preparing these financial statements.

Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

6 Average number of employees during the year

During the year the average number of employees was 13 (2020: 13).

GUERNSEY RFC LBG

NOTES TO THE ACCOUNTS

30 JUNE 2021

7	Plant and equipment			
	Lease valuation £	Leasehold improvements, kitchen & club pitch £	Rugby equipment £	Score board £
COST				
At 1 July 2020	200,000	270,077	25,598	6,000
Additions	-	66,297	-	-
At 30 June 2021	<u>200,000</u>	<u>336,374</u>	<u>25,598</u>	<u>6,000</u>
DEPRECIATION				
At 1 July 2020	-	79,382	23,836	3,000
Charge for the year	-	16,178	352	1,500
At 30 June 2021	<u>-</u>	<u>95,560</u>	<u>24,188</u>	<u>4,500</u>
NET BOOK VALUE				
At 30 June 2021	<u>200,000</u>	<u>240,814</u>	<u>1,410</u>	<u>1,500</u>
At 30 June 2020	<u>200,000</u>	<u>190,695</u>	<u>1,762</u>	<u>3,000</u>
	Mascot Costume £	Office Container £	Office Equipment £	Total £
COST				
At 1 July 2020	3,180	1,559	-	506,415
Additions	-	-	2,674	68,971
At 30 June 2021	<u>3,180</u>	<u>1,559</u>	<u>2,674</u>	<u>575,386</u>
DEPRECIATION				
At 1 July 2020	1,060	312	-	107,590
Charge for the year	1,060	312	-	19,402
At 30 June 2021	<u>2,120</u>	<u>624</u>	<u>-</u>	<u>126,992</u>
NET BOOK VALUE				
At 30 June 2021	<u>1,060</u>	<u>935</u>	<u>2,674</u>	<u>448,394</u>
At 30 June 2020	<u>2,120</u>	<u>1,247</u>	<u>-</u>	<u>398,825</u>

A Directors' valuation of £200,000 has been placed on the new long term lease.

GUERNSEY RFC LBG

NOTES TO THE ACCOUNTS

30 JUNE 2021

8	Investment in subsidiary	Total £	
	VALUATION		
	At 1 July 2020		1
	and at 30 June 2021		<u>1</u>
9	Debtors	2021 £	2020 £
	Deposit on Open Market house	8,750	11,000
	Other debtors	152,527	101,941
	Prepayments	9,128	9,128
		<u>170,405</u>	<u>122,069</u>
10	Creditors: Amounts falling due within one year	2021 £	2020 £
	Trade creditors	2,721	13,151
	Taxation and social security	9,171	8,184
	Deferred income:		
	- Membership	13,104	16,239
	- Sponsorship	185,000	174,600
	- Siam staging	71,360	58,320
	- Centenary shirts	2,055	-
	Other creditors	29,960	3,075
		<u>313,370</u>	<u>273,569</u>
11	Creditors: Amounts falling due after more than one year	2021 £	2020 £
	Loan payable - RFU	90,000	68,157
	Loan payable - Bank loan (6 years)	30,000	-
		<u>120,000</u>	<u>68,157</u>

The amount due to the RFU is interest free, unsecured and repayable in equal quarterly instalments of £1,500 on the usual quarter days in each year commencing on the next but one quarter day after the first advance. The repayment period is 15 years.

The bank loan is unsecured, bears interest at 4.5% over base rate and is repayable over 6 years.

GUERNSEY RFC LBG

NOTES TO THE ACCOUNTS

30 JUNE 2021

12 Members' contributions

	£
At 1 July 2020	216,459
Members' contributions in the year	<u>18,150</u>
At 30 June 2021	<u><u>234,609</u></u>

13 Financial commitments

The company leases its clubhouse and pitch under 40 year lease agreements with the States of Guernsey. The leases terminate on 31 December 2052 and the annual rent payable is £251.

The company is the guarantor under a lease of an open market house. The lease runs until 7 October 2021 and the annual rent payable is £45,000. The company ensures that the underlying tenants pay the rent and the directors do not expect the company to suffer financially from this arrangement.

The company entered into a motor vehicle leasing arrangement with Investec which ends in August 2024. The annual commitment under this lease is £2,409.

14 COVID 19

The 2020/21 season has been unprecedented with the cancellation of league matches due to COVID 19. The same applies to the profit for the financial year detailed on page 6 of £87,289.

We have been extremely fortunate that the majority of our very loyal sponsors and members paid the year's fees despite there being no league rugby. The cancellation of the rugby season resulted in a significant decrease in our expenditure, notwithstanding that we received a high proportion of our income. This provides an explanation as to the high level of profit.

The 'buffer' this profit has given us is extremely important for the 2021/22 season as the RFU have decided to remove their financial support for travel funding. We are also in a higher division with more games and therefore are experiencing increased costs (including required stayovers to fulfil more remote fixtures). The financial challenges are therefore continuing, however we consider that we are well placed to meet them.

GUERNSEY RFC LBG

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	2021		2020	
	£	£	£	£
REVENUE - BAR SALES		86,264		119,510
LESS: COST OF SALES		(33,963)		(52,688)
GROSS PROFIT		<u>52,301</u>		<u>66,822</u>
BAR EXPENSES				
Bank charges	3,430		2,929	
Light, heat and water	559		7,590	
Rates, licenses, security & insurance	1,676		2,056	
Repairs, maintenance, cleaning & sundry bar costs	4,388		3,011	
Telephone, Sky TV, website, postage & office supplies	3,996		3,593	
Wages	8,193		18,920	
		<u>(22,241)</u>		<u>(38,099)</u>
NET BAR PROFIT		<u>30,059</u>		<u>28,723</u>
REVENUE - RUGBY				
Clubhouse hire		1,275		2,100
Donations		12,568		-
Gate		10,093		16,237
Matchday Tables		1,108		12,987
Merchandies, Meat draw, Raffle, 50/50 & Club ties		2,579		3,486
Other income		39,100		6,987
Social Events Income		10,949		9,998
Sponsorship		184,328		201,410
Subscriptions/Membership		27,488		23,859
Ticket Sales		(290)		-
		<u>289,198</u>		<u>277,064</u>
RUGBY RELATED COSTS				
Academy sponsorship				-
Admin staff	20,693		11,440	
Audit fees	180		3,000	
Coaching and staff	69,604		68,199	
Depreciation	19,402		15,521	
Equipment, kit, physios, first aid etc	9,211		34,273	
Food for teams	2,078		5,320	
Gym maintenance	2,000		-	
Ladies Travel Costs	4,960		4,755	
Laundry	846		2,817	
Marketing	2,466		8,792	
Matchday costs	1,083		4,901	
Men's Travel Costs	4,320		43,102	
Pitch Maintenance & Pitch Renovation	11,488		9,387	
Player related costs	14,458		41,025	
Referees	(155)		1,200	
Rent	64,835		45,754	
RFU/NCA costs	95		295	
Stadium Hire Costs	4,405		10,488	
Sundry Expenses	-		10,525	
Ticket sales costs	-		250	
Training costs	-		9,305	
		<u>(231,968)</u>		<u>(330,349)</u>
Profit/(loss) on ordinary activities before taxation		<u>87,289</u>		<u>(24,562)</u>

The detailed income statement does not form part of the statutory financial statements.