

EUROPA FC LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

EUROPA FC LIMITED

FINANCIAL STATEMENTS

Year ended 31 December 2020

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EUROPA FC LIMITED

STATUTORY INFORMATION

Company number: 110584

DIRECTORS

Peter Cabezutto
Patrick Cabezutto
Guy Langton
John Paul Risso

REGISTERED ADDRESS

34 Devil's Tower Road
Gibraltar

SECRETARY

Patrick Cabezutto
34 Devil's Tower Road
Gibraltar

AUDITOR

AMS Limited
Suite 16
Block 5
Watergardens
Waterport
Gibraltar

EUROPA FC LIMITED

DIRECTORS' REPORT

The directors of Europa FC Limited ("the Company") present their report for the year ended 31 December 2020 together with the financial statements of the company and the independent auditor's report to the members.

1. RESULTS

The results for the year ended 31 December 2020 are shown on page 8. There has been no dividend paid during the year (2019: nil).

2. PRINCIPAL ACTIVITY

The Company's principal activity is that of managing Europa Football Club.

3. BUSINESS REVIEW/COVID-19 REVIEW

We are a sports club with an emphasise on Football. The commitment from investors is to help the Gibraltar community by funding the club, this is how investors give back to the community, by helping young kids out of the street and into a route that can develop their skills and provide them with a sense of purpose which, in turn, could potentially offer them a job in the long run.

Our mission is to one day go through the stages until we get to group stages if achieved this will mean that the club will be self funding for decades to come.

We continue to strive in our endeavours to be the top team in Gibraltar.

Covid-19

Our main problem with the pandemic was not been awarded the league title which we legally disputed due to the 82% probability that we were to win the league. Even though Uefa provided funding for us to be able to compete in champions league we still took a heavy hit financially in terms of paying legal fees. It affected us by not being able to play matches and reaching these European qualifying games with friendlies under our belt. Apart from that the government scheme helped us a lot on cash flow and we have managed to continue to strive for another successful year.

4. DIRECTORS

The directors of the company during the year and to the date of signing these financial statements were as stated on page 2.

5. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company for that year. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently
- b) make judgements and estimates that are reasonable and prudent

EUROPA FC LIMITED

DIRECTORS' REPORT (Continued)

c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

d) 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 proper accounting records which 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 Gibraltar Companies Act 2014. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

6. STATEMENT OF DISCLOSURE TO AUDITOR

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

7. AUDITOR

The auditor has expressed his willingness to continue in office. A resolution for his reappointment will be proposed at the next annual general meeting.

ON BEHALF OF THE BOARD



Peter Cabezutto

Date 09/04/2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPA FC LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Europa FC Limited** (the Company), which comprise the statement of financial position as at 31 December 2020, and the income statement, statement of changes in equity and statement of cashflows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of the company's loss and cashflows for the year then ended;
- have been properly prepared in accordance with Gibraltar Financial Reporting Standards;
- have been prepared in accordance with the Companies Act 2014.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), 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.

Responsibilities of the director for the financial statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPA FC LIMITED – continued

Auditor's Responsibilities for the Audit of the Financial Statements – continued

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPA FC CLUB LIMITED – continued

Report on Other Legal and Regulatory Requirements

Opinion on other matter prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit:

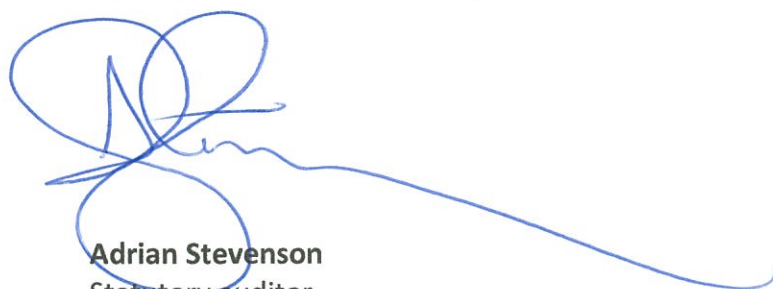
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the matter where the Companies Act 2014 requires us to report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 257 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Adrian Stevenson
Statutory auditor
For and on behalf of
AMS Limited
Suite 16
Water Gardens 5
Gibraltar,

9th April 2021

EUROPA FC LIMITED

INCOME STATEMENT

Year ended 31 December 2020

	Notes	31 December 2020 £	31 December 2019 £
REVENUE	1b,2	1,025,254	811,723
ADMINISTRATIVE EXPENSES		(1,123,711)	(914,366)
Operating loss		(98,457)	(102,643)
Other income		53,741	-
LOSS FROM ORDINARY ACTIVITIES BEFORE TAXATION		(44,716)	(102,643)
Taxation	3	-	-
LOSS FOR THE FINANCIAL YEAR		£ (44,716)	£ (102,643)

The Company has had no discontinued activities during the year, accordingly, the above result for the Company relates solely to continuing activities.

There is no difference between the loss arising on ordinary activities and its historical cost equivalent.

The notes on pages 12 to 16 form an integral part of these financial statements.

EUROPA FC LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	31 December 2020 £	31 December 2019 £
TANGIBLE FIXED ASSETS			
Property, plant and equipment	4	25,034	36,747
CURRENT ASSETS			
Receivables	5	99,877	295,732
Cash and cash equivalents		282,426	64,461
		382,303	360,193
PAYABLES - Amounts falling due within o	6	(337,141)	(264,486)
NET CURRENT ASSETS		45,162	95,707
NET ASSETS		£ 70,196	£ 132,454
CAPITAL AND RESERVES			
Called up share capital	7	1,000	1,000
Capital reserve		961,860	979,402
Retained earnings		(892,664)	(847,948)
		£ 70,196	£ 132,454

Approved by the director on 09/04/2021


Peter Cabezutto


Patrick Cabezutto

The notes on pages 12 to 16 form an integral part of these financial statements.

EUROPA FC LIMITED

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2020

	Capital reserve	Retained earnings £	Share capital £	Total £
Closing balance as at 31 December 2018	808,923	(745,305)	1,000	1,000
Capital introduced	170,479	-	-	170,479
Loss for the year	-	(102,643)	-	(102,643)
Closing balance as at 31 December 2019	£ 979,402	£ (847,948)	£ 1,000	£ 132,454
Capital repayment	(17,542)	-	-	(17,542)
Loss for the year	-	(44,716)	-	(44,716)
Closing balance as at 31 December 2020	£ 961,860	£ (892,664)	£ 1,000	£ 70,196

The notes on pages 12 to 16 form an integral part of these financial statements.

EUROPA FC LIMITED

STATEMENT OF CASHFLOWS

Year ended 31 December 2020

	31 December 2020 £	31 December 2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before interest and tax	(44,716)	(102,643)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	11,713	11,713
Decrease in receivables	95,855	6,110
Increase in payables	72,655	12,951
Net cash outflow from operating activities	135,507	(71,869)
INVESTING ACTIVITIES		
Acquisition of assets	-	(25,266)
Net cash outflow from investing activities	-	(25,266)
FINANCING ACTIVITIES		
Capital contributions by shareholders	(17,542)	170,479
Increase in share capital	-	-
Loan	100,000	100,000
Net cash inflow from financing activities	82,458	270,479
NET INCREASE IN CASH	217,965	173,344
Cash at the beginning of the year	64,461	2,121
Cash at the end of the year	282,426	64,461

The notes on pages 12 to 16 form an integral part of these financial statements.

EUROPA FC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

1. ACCOUNTING POLICIES

a. Basis of accounting

These financial statements have been prepared in accordance with Gibraltar Financial Reporting Standard 102 ("GFRS102") and the requirements of the Gibraltar Companies Act 2014 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of GFRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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 £.

The preparation of financial statements in conformity with GFRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Critical accounting estimates and judgements made by management in the application of GFRS 102 that have significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

In preparing these financial statements, the directors have considered the impact of adverse changes resulting from the major risks and uncertainties they consider apply to the company. At the date of this report, the company is taking the Covid-19 threat to its clients, vendors, staff and overall business very seriously. The company is taking proactive action and has activated business continuity plans, where required across the jurisdictions in which the company operates, to minimise the risk of disruption to business operations. In doing this, the company has taken account of government advice and the need to safeguard the health of its clients. At this stage, the impact on our business and results is limited. The directors will continue to follow government policies and advice and in parallel will do their utmost to continue operations in the best and safest way possible without jeopardising anyone's health.

As a result of the Company's simple business structure there are no critical accounting estimates or judgements to be made by management.

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to exist for the foreseeable future, on the basis that the shareholders have confirmed that the Company has sufficient financial support to continue to trade.

EUROPA FC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2020

b. Revenue

Turnover represents the fair value of the consideration received and receivable from the Company's principal activities. The Company's principal activities include membership fees and income from football activities including GFA grants and sponsorships.

Turnover is recognised when the amounts of revenue is performed and provided that the amount can be measured reliably.

Income from Club's sponsorships and advertising is recognised over the term of the contract of the sponsorship agreement and therefore done on an accruals basis.

Membership income is accounted for on a cash received basis.

Government grant related to COVID-19 has been accounted for on a cash basis.

c. Debtors

Debtors consist of other debtors.

Other debtors represent amounts owed to the Company that did not arise from the provision of those goods and services as a result of the carrying on of the principal activities of the Company. They are recognized when the directors consider it probable that future economic benefits will flow to the Company and these benefits can be reliably measured. Other debtors are measured at the directors' estimate of the value of the proceeds likely to be received by the Company.

d. Creditors

Creditors consist of trade creditors, accruals, loans and other creditors. Trade creditors and other creditors are recognized and carried at original amounts for goods and services invoiced to the Company. Accruals represent the value of goods and services provided to the Company that have not yet been invoiced. Accruals are recognized upon provision of a service provided to the Company and are measured at the directors' estimate of the value of the invoice likely to be received by the Company.

e. Taxation

Provision at the applicable rate is made for corporation tax payable on profits for the year as adjusted for tax purposes in accordance with the Income Tax Act. Gibraltar tax is based on the taxable profits of the Company which have been calculated on an accruals basis.

Deferred tax is the future tax liability or asset, payable or receivable, resulting from timing differences between the accounting value of assets and liabilities used in the financial statements and their value for tax purposes.

f. Foreign exchange

Sterling (GBP) is the functional and presentation currency of the Company. For the purpose of presenting the financial statements, the assets and liabilities of the Company are translated at exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are recorded at the rates of exchange ruling at the transaction dates.

EUROPA FC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2020

g. Tangible assets

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided so as to write off the cost less estimated residual value of tangible assets by equal instalments over the expected useful economic lives using the straight line method as follows:

- Pitch lease 8 years
- Clubhouse 5 years

2. REVENUE	31 December 2020 £	31 December 2019 £
Sponsorship and advertising	83,623	24,685
UEFA solidarity and prize money	886,152	766,107
Government Covid grant	26,334	-
Other operating income	29,145	20,931
	<u>£ 1,025,254</u>	<u>£ 811,723</u>

3. TAXATION	31 December 2020 £	31 December 2019 £
Loss from ordinary activities before taxation to carry forward	(44,716)	(102,643)
Corporation tax liability (10%)	<u>£ -</u>	<u>£ -</u>

The Company is subject to Gibraltar corporation tax at a rate of 10% on taxable profits.

EUROPA FC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2020

4. TANGIBLE FIXED ASSETS

	Clubhouse £	Pitch lease £	Total £
<i>Cost</i>			
Opening balance as at 1 January 2020	25,266	53,280	78,546
Additions during the year	-	-	-
Closing balance as at 31 December 2020	<u>25,266</u>	<u>53,280</u>	<u>78,546</u>
<i>Depreciation</i>			
Opening balance as at 1 January 2020	15,159	26,640	41,799
Charged in the year	5,053	6,660	11,713
Closing balance as at 31 December 2020	<u>20,212</u>	<u>33,300</u>	<u>53,512</u>
<i>Net book value</i>			
As at 31 December 2020	<u>£ 5,054</u>	<u>£ 19,980</u>	<u>£ 25,034</u>
As at 31 December 2019	<u>£ 10,107</u>	<u>£ 26,640</u>	<u>£ 36,747</u>

5. RECEIVABLES

	31 December 2020 £	31 December 2019 £
Other debtors	99,877	295,732
	<u>£ 99,877</u>	<u>£ 295,732</u>

EUROPA FC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2020

6. PAYABLES: Amounts falling due within one year

	31 December 2020 £	Restated 31 December 2019 £
Accruals	5,500	5,500
Other creditors	19,868	30,046
Wages due to employees	33,315	-
Provision for player dues on GFA international call-ups	20,000	92,595
PAYE and social insurance	58,458	36,345
Loan	200,000	100,000
	<u>£ 337,141</u>	<u>£ 264,486</u>

The loan is an interest only type and carries a 9% interest charge. Full amount is due to be repaid by December 2021.

7. SHARE CAPITAL

	31 December 2020 £	31 December 2019 £
Authorised, allotted and called up 1,000 ordinary shares of £1 each	1,000	1,000
	<u>£ 1,000</u>	<u>£ 1,000</u>

8. POST BALANCE SHEET EVENTS (COVID-19)

The local lockdown affected income for the year and so the Company suffered a considerable loss and employees salaries were supplemented by the local furlough system. Future contracts remain unaffected and the forecast remains positive. We therefore believe that a material uncertainty of going concern does not exist. Actions were taken to safeguard the health of the players and staff.

9. ULTIMATE CONTROLLING PART

The ultimate controlling parties are the directors of the company.

THE FOLLOWING SCHEDULE IS FOR MANAGEMENT
PURPOSES ONLY AND DOES NOT FORM PART OF THE
FINANCIAL STATEMENTS

EUROPA FC LIMITED

ADMINISTRATIVE EXPENSES

Year ended 31 December 2020

	31 December 2020 £	Restated 31 December 2019 £
Tournament fees	3,118	-
Matchday expenses	2,257	22,526
Physio and medical expenses	23,134	18,418
Accountancy fees	1,118	1,175
Audit fees	3,000	2,500
Rent and food	150,035	95,112
Social insurance	26,885	30,583
Bank charges	7,400	8,728
Kits and equipment	28,665	32,738
Consultancy fees	68,599	73,579
Youth team coaches	7,600	9,800
Mobile expenses	1,217	1,066
Travel and entertainment	146,844	89,738
Insurance	212	-
Marketing and advertising	-	7,262
Salaries and wages	368,893	288,981
Player bonuses	26,885	50,533
Legal fees	78,000	4,056
Junior teams and reserves	27,998	6,300
Other team sports	16,260	7,562
Provision for player dues on GFA international call-ups	20,000	92,595
Payments to clubs and agents	35,929	-
Licences, registration fees and fines	5,177	17,070
Training equipment	2,776	-
Cleaning and maintenance	-	2,045
Freight and duty	212	62
Foreign exchanges gain/(loss)	17,722	13,381
Photography	5,866	3,000
Printing and stationery	4,932	3,431
Depreciation	11,713	11,713
Loan interest	22,500	-
Repairs and maintenance	7,024	18,413
IT expenses	1,086	1,186
Miscellaneous expenses	654	813
Total administrative expenditure	1,123,711	914,366