Company Registration No. SC132607 (Scotland)

# H.F.C.HOLDINGS LIMITED

## UNAUDITED FINANCIAL STATEMENTS

## FOR THE PERIOD ENDED 31 DECEMBER 2019

## PAGES FOR FILING WITH REGISTRAR

# H.F.C.HOLDINGS LIMITED

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# H.F.C.HOLDINGS LIMITED

## BALANCE SHEET

### *AS AT 31 DECEMBER 2019*

| | Notes | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | **3** | | - | | 457,907 |
| Investments | **4** | | - | | 8,606,992 |
| | | | - | | 9,064,899 |
| **Current assets** | | | | | |
| Debtors | **5** | 3,306,227 | | 3,482,255 | |
| Cash at bank and in hand | | 312,868 | | 11,022 | |
| | | 3,619,095 | | 3,493,277 | |
| **Creditors: amounts falling due within one year** | **6** | (12,000) | | (6,750,289) | |
| **Net current assets/(liabilities)** | | | 3,607,095 | | (3,257,012) |
| **Total assets less current liabilities** | | | 3,607,095 | | 5,807,887 |
| **Creditors: amounts falling due after more than one year** | **7** | | (5,000,000) | | (5,000,000) |
| **Net (liabilities)/assets** | | | (1,392,905) | | 807,887 |
| **Capital and reserves** | | | | | |
| Called up share capital | **8** | | 3,350,000 | | 3,350,000 |
| Profit and loss reserves | | | (4,742,905) | | (2,542,113) |
| **Total equity** | | | (1,392,905) | | 807,887 |

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

For the financial period ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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 21 December 2020 and are signed on its behalf by:

R M Petrie
**Director**
**Company Registration No. SC132607**

**1 Accounting policies**

**Company information**

H.F.C.Holdings Limited is a private company limited by shares incorporated in Scotland. The registered office is Maidencraig House, 192 Queensferry Road, Edinburgh, EH4 2BN.

**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 a mounts in these financial statements are rounded to the nearest £.

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

H.F.C.Holdings Limited is a subsidiary of Infocus Investments Limited, with their registered office being One Fleet Place, London, EC4M 7WS, and the ultimate parent company is Maidencraig Investments (No.1) Limited, with their registered office being Maidencraig House, 192 Queensferry Road, Edinburgh, EH4 2BN.

**1.2 Going concern**

At the reporting date the company is in a net liability position. However, the majority of the company's liabilities are owed to fellow group undertakings and all of the liabilities greater than one year are owed to the parent company. These liabilities do not require to be repaid for a period of at least 12 months from the date of signing these financial statements. The directors have considered the Covid-19 pandemic as part of their going concern review and believe that any potential implications arising do not materially impact the company's going concern status. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

**1.3 Reporting period**

The profit and loss account presented reflects an 18 month period following a change in the accounting period to aid in a material business transaction. The comparative profit and loss reflects a 12 month period and as such the two periods are not entirely comparable.

**1.4 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.

**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:

| | |
|---|---|
| Freehold buildings | 2% straight line |

Freehold land is not depreciated.

**1 Accounting policies** **(Continued)**

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.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

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

**1.6 Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1.7 Cash and cash equivalents**

Cash and cash equivalents 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.

**1.8 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.

***Debtors***

Debtors with no stated interest rate and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other operating expenses.

***Creditors***

Creditors with no stated interest rate and payable within one year are recorded at transaction price.

**1.9 Equity instruments**

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

**1 Accounting policies** **(Continued)**

**1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**2 Employees**

The average monthly number of persons (including directors) employed by the Company during the period was 0 (2018: 0).

3 **Tangible fixed assets**

| | Land and buildings £ |
|---|---|
| **Cost or valuation** | |
| At 1 July 2018 | 581,487 |
| Revaluation | (241,737) |
| Transfers | (339,750) |
| At 31 December 2019 | - |
| **Depreciation and impairment** | |
| At 1 July 2018 | 123,580 |
| Revaluation | (123,580) |
| At 31 December 2019 | - |
| **Carrying amount** | |
| At 31 December 2019 | - |
| At 30 June 2018 | 457,907 |

Land with a carrying amount of £255,796 was revalued at 19 June 2019 by Davidson & Robertson, independent valuers not connected with the Company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

Buildings with a carrying amount of £202,111 were revalued at 21 June 2019 by Graham & Sibbald, independent valuers not connected with the Company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

| | 2019 £ | 2018 £ |
|---|---|---|
| Cost | - | 581,487 |
| Accumulated depreciation | - | (123,580) |
| Carrying value | - | 457,907 |

On 1 July 2019, the Company transferred its land and buildings at market value to The Hibernian Football Club Limited, which was its subsidiary at the date of transfer.

## 4 Fixed asset investments

| | 2019 | 2018 |
|---|---|---|
| | £ | £ |
| Shares in group undertakings and participating interests | - | 8,606,992 |

**Movements in fixed asset investments**

| | Shares in group undertakings |
|---|---|
| | £ |
| **Cost or valuation** | |
| At 1 July 2018 | 8,606,992 |
| Additions | 339,750 |
| Disposals | (8,946,742) |
| At 31 December 2019 | - |
| **Carrying amount** | |
| At 31 December 2019 | - |
| At 30 June 2018 | 8,606,992 |

On 1 July 2019, the Company transferred its land and buildings at market value to The Hibernian Football Club Limited, its subsidiary at the time of the transaction, in the form of a capital contribution. Thereafter, the Company sold its entire shareholding in The Hibernian Football Club Limited.

## 5 Debtors

| **Amounts falling due within one year:** | 2019 £ | 2018 £ |
|---|---|---|
| Amounts owed by group undertakings | 3,306,227 | 655,100 |
| Other debtors | - | 600 |
| | 3,306,227 | 655,700 |

| **Amounts falling due after more than one year:** | 2019 £ | 2018 £ |
|---|---|---|
| Amounts owed by group undertakings | - | 2,826,555 |
| **Total debtors** | 3,306,227 | 3,482,255 |

Included within amounts due by group undertakings was a mortgage due by The Hibernian Football Club Limited, that was secured, interest free and repayable by monthly installments of £41,667 plus any accelerated annual payments triggered by the results of the subsidiary. The mortgage was repaid early in full on 1 July 2019.

## 6 Creditors: amounts falling due within one year

| | 2019 | 2018 |
|---|---|---|
| | £ | £ |
| Amounts owed to group undertakings | - | 2,218,664 |
| Other creditors | 12,000 | 4,531,625 |
| | 12,000 | 6,750,289 |

## 7 Creditors: amounts falling due after more than one year

| | 2019 | 2018 |
|---|---|---|
| | £ | £ |
| Shares classified as liabilities (note 8) | 5,000,000 | 5,000,000 |

## 8 Called up share capital

| | 2019 | 2018 |
|---|---|---|
| | £ | £ |
| **Ordinary share capital** | | |
| **Issued and fully paid** | | |
| 3,350,000 Ordinary Shares of £1 each | 3,350,000 | 3,350,000 |
| **Preference share capital** | | |
| **Issued and fully paid** | | |
| 500,000 Cumulative Preferred "A" shares of £1 each | 5,000,000 | 5,000,000 |
| Preference shares classified as liabilities | 5,000,000 | 5,000,000 |

The Cumulative Preferred "A" Shares have no voting rights at any general meeting of shareholders and have restricted rights on a return of capital. These shares are entitled to cumulative preferential dividend equivalent to a fixed percentage of any profit in excess of certain thresholds. The £500,000 Cumulative Preferred "A" Shares were issued at a premium of £4,500,000 and are classified as a liability of £5,000,000.

## 9 Related party transactions

During the period, rental income of £24,000 (2018: £24,000) was received from the Company's subsidiary undertaking prior to the date of its disposal.

The ten year, interest free Mortgage of £5,000,000 to the Company's subsidiary undertaking was repaid early during the period, accordingly the balance oustanding at 31 December 2019 was £nil (2018: £3,481,655).

At 31 December 2019 a loan of £nil (2018: £2,218,664) was owed by the Company to its ultimate parent company. At 31 December 2019, £3,306,227 (2018: £nil) was owed from the ultimate parent company to the Company.

At 31 December a loan of £nil (2018: £4,500,000) was owed to a director of the Company.

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